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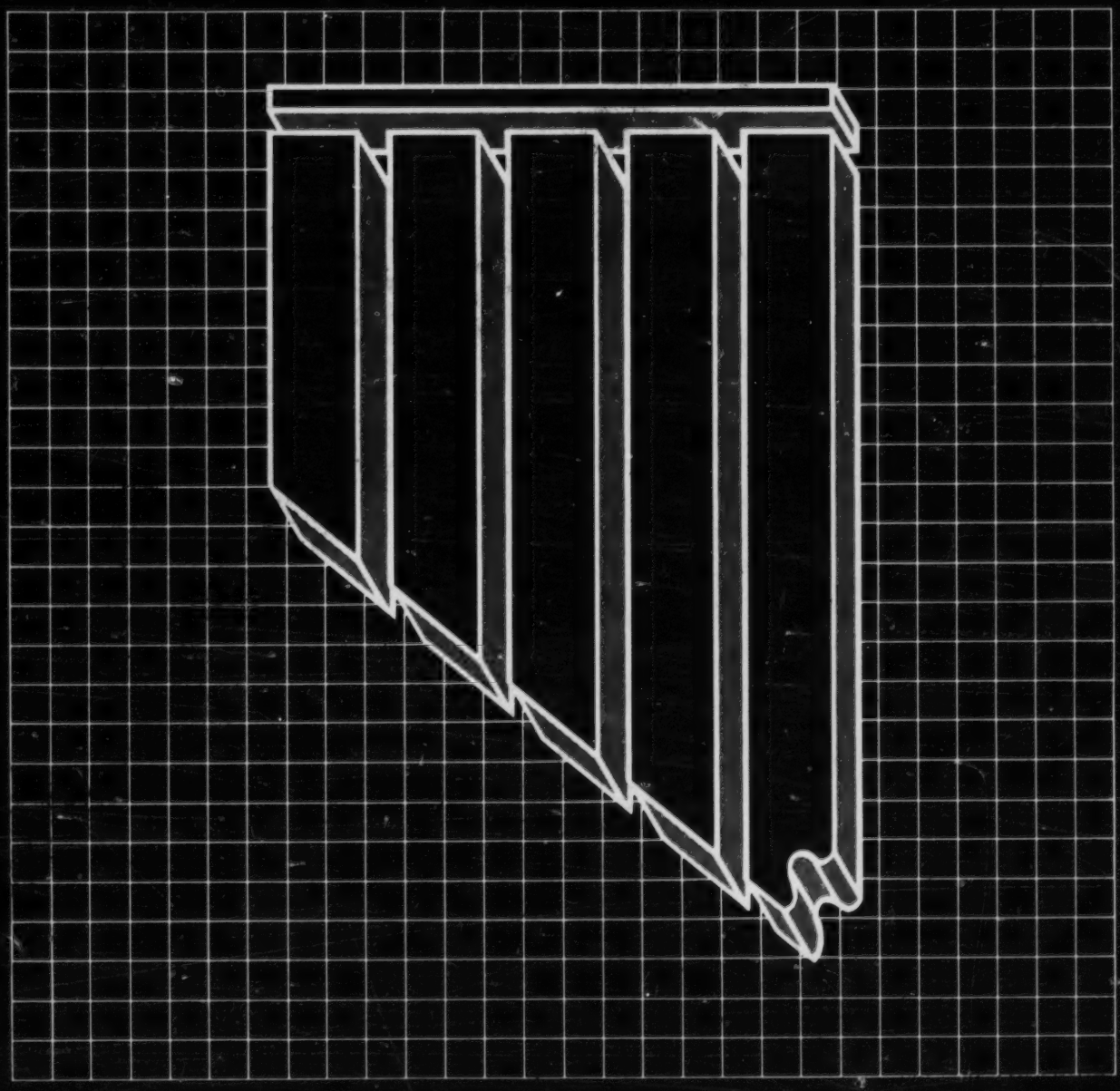

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CONTENTS

Street Crime in Atlantic City, New Jersey: An Empirical Analysis 2
Ronald G. Ochrym

The Incidence and Implications of Financial Stress in Nevada's Agricultural Sector 8
David K. Lambert and Lani Linebaugh

Pregnancy Leave Controversy: Business and Labor Policy Implications 14
William A. Nowlin and George M. Sullivan

Nevada Economic Indicators:
- Statewide Statistical Data 21
- Las Vegas MSA Data 22
- Reno MSA Data 23
- Nevada Statistical Data by County 24

Selected U.S. Economic Indicators 26

General Editorial Policy

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Street Crime in Atlantic City, New Jersey: An Empirical Analysis

*by Ronald G. Ochrym**

Introduction

The legalization of casino gambling in Atlantic City, N.J., in 1976 has resulted in many changes in the city's skyline. Even more important are the political, social and economic effects which accompanied the legalization of gaming. Only recently have these effects become evident.

Ten years after the hope-filled genesis of casino gaming, critics argue that gaming has not lived up to its pre-gaming expectations (i.e., Sternlieb and Hughes, 1983; Ochrym, 1983). Although Atlantic City has been the recipient of positive economic benefits in the form of new investments, tax revenue, creation of new jobs, and stimulation of ancillary industries, it has also been plagued by increased street crime, an infrastructure inadequate to handle tourists and revitalization restricted to the casino-hotel properties. Pro-casino advocates, who painted a grand vision of rebirth for Atlantic City prior to the legalization of gaming, have redefined their expectations for economic prosperity. They contend a second wave of casino-hotel development is necessary if gaming is to reach its full economic impact. The key question is: what has casino gaming done for the State of New Jersey in general and Atlantic City in particular? Although there are many areas worthy of investigation, the impact of casino gaming on street crime and tourism will serve as the focus of this paper.

Background

A common theme expressed by opponents of legalized gaming is the allegation that casino gaming will result in an increase in street crime (i.e., State of New York, Office of the Attorney General, 1981; Danziger, 1983). This argument was echoed by New York State Attorney General Robert Abrams who, in the wake of the movement to legalize casino gaming in the "Empire State" in 1981, released a report assessing the impact of casino gaming in Atlantic City and Las Vegas (State of New York, Office of the Attorney General, 1981). Abrams concluded that any economic benefits received by New York State from casino gaming would be outweighed by the "corrosive and disruptive effects," in particular street crime, which would be likely to occur in communities where casinos would be located. The report emphasized that in the four years since casino gaming was introduced, street crime in Atlantic City had increased more than 171 percent, compared to a state-wide increase of 26 percent. Abrams noted that between 1979 and 1980, when five new casinos were opened, reported crime increased more than 107 percent. In 1980, crime rose more than 70 percent, compared to 1979.

Crime was not confined to the Atlantic City area, according to Abrams. The communities surrounding Atlantic City, in particular Ocean City and Egg Harbor, also experienced a significant rise in crime. Local officials, Abrams added, attributed the increase in street crime to the casinos located in Atlantic City. Abrams concluded:

> Legalized gambling, by its very nature, creates an environment in which crimes of all types flourish. With law enforcement agencies and other elements of the criminal justice system barely able to hold their own against existing criminality, it is difficult for me to conceive how they can be expected to handle the tremendous increase in street and petty crime that will accompany casino gambling. As disturbing as these crime statistics from Atlantic City must be to anyone considering the implications of legalized casino gambling in New York communities, the cold numbers do not reflect the distressing impact that Atlantic City's casino-natured crime has had on that city for residents and visitors alike (State of New York, Office of the Attorney General, 1981).

Several New Jersey newspapers have also been critical of the rising crime rate in Atlantic City since the legalization of gaming. *The Atlantic City Press* (1980) reported that Atlantic City was suffering from a "staggering crime wave in the wake of casino gambling." More recently, in a study funded by the Twentieth Century Fund, George Sternlieb and James W. Hughes (1983) were highly critical of the amount of street crime which has plagued Atlantic City since 1976.

Proponents of casino gaming, who predicted economic revitalization for Atlantic City prior to the legalization of gaming, have been critical of these and other negative reports. Martin Danziger (1983), a former member of the New Jersey Casino Control Commission, stated that although the number of crimes in Atlantic City increased, "in comparison to New Jersey as a whole, the rate has slowed." Danziger noted that during 1977, the State of New Jersey had a violent crime rate (which includes murder, rape, robbery and assault) of 3.9 per 1,000 people in comparison to 7.1 for Atlantic City. In 1980, while Atlantic City's rate increased to 9.4, New Jersey's violent crime rate increased to 6.0, a higher percentage gain (58 percent) compared to Atlantic City (32.4 percent). Danziger's claim appears to contradict the Abrams report. Has casino gambling resulted in an increase in street crime in Atlantic City?

The literature assessing street crime in Atlantic City suffers from two major problems. First, it assumes the escalation

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in street crime is a result of legalized casino gaming. It also fails to discuss other variables, in particular tourism, which may be related to the increase in street crime. The second problem concerns the failure of the authors to incorporate any statistical procedures in their respective analyses. Comparing crime statistics using either a year by year comparison (i.e., Abrams) or picking arbitrary years (i.e., Danziger), both on a percentage basis, are inappropriate techniques for anyone seriously interested in assessing crime in a particular city or state. Regression analysis provides an alternate and more effective measurement tool.

Literature

Numerous studies have documented a statistical relationship between increased crime rates and tourism in resort areas. Fukunaga (1975) examined the incidence of major crimes as a component of his study into the social and economic effects of the development of a resort complex in a rural area on the island of Hawaii. He noted that in the five years after the resort opened, crime increased more than 300 percent.

Fujii and Mak (1980), who also investigated whether tourism generated "environmental externalities in the form of increased crime against persons and property" in the State of Hawaii, observed that tourism in general apparently leads to a higher increase in street crime than does a comparable increase in other population subgroups such as permanent residents. Fujii and Mak added that although their findings indicated that "tourism growth does indeed lead to increased crime in visitor destinations," one should not assume that tourism-generated crimes are committed only against tourists. Data limitations prevented the authors from identifying the direct victims of crime.

Cheaney-Lind and Lind (1986) also studied the relationship between crime and tourism for Hawaii and found that the two were related.

McPheters and Stronge (1974), who studied tourism in Miami, Fl., found crime to some extent "an externality or by-product" of the tourism industry. They concluded that "the overall relationship between the seasons in crime and tourism is significant, and this appears to reflect significant relationships between tourism and robbery, larceny and burglary" (1974, 289-90). Similar observations were reported by Jud (1975) who examined the relationship between tourism and crime in each of the 32 states and territories of Mexico. He found, as did McPheters and Stronge, that "major crimes against property (fraud, larceny and robbery) appear to be strongly related to tourism" (1975, 328). He added "the crimes against persons (assault, murder, rape, abduction and kidnapping) are, at most, only marginally associated with foreign tourist business" (1975, 328).

In general, the literature suggests that tourism and increases in street crime in resort destinations are related. The authors cited above have provided several rationales to explain the relationship between tourism and increased street crime.[1] First, tourists usually carry large sums of money, along with valuables (i.e., jewelry, camera equipment, etc.), which make them an easy target. Second, tourists, as opposed to the perpetrators of crime, are usually unfamiliar with their surroundings. Finally, tourists are less likely to return to testify because of cost and financial restraints. Clearly, it is of paramount interest to residents of tourist areas, government officials and tourism management organizations to establish whether, and to what extent, tourism and street crime are related.

Model

Studies assessing the impact of casino gaming, particularly in Atlantic City, cite the legalization of gaming as the causal factor for the increase in street crime and fail to offer any substantive analysis with respect to tourism. In this study, we examined the effects of both the legalization of gaming and tourism on street crime in Atlantic City. The model below hypothesizes that tourism may be both a result of the legalization of gaming and a causal factor of street crime (see Figure 1).

The model also investigates the alleged causal factor for the increase in street crime, the legalization of gaming. One additional variable, the daily gaming revenue per casino-hotel, was also included in the study to provide for additional analysis and comparison.

Data and Methodology

The term "street crime" is quite ambiguous and therefore creates a problem for analysis. Since 1967, New Jersey state law requires all municipalities to transmit an annual crime report to the New Jersey State Police which issues an annual crime report for the state--*The Uniform Crime Report* (State of New Jersey, New Jersey State Police, 1968-1985)-- containing a variety of statistics on various types of crimes. Since many states throughout the United States have developed crime reporting systems, the Federal Bureau of Investigation (FBI) established guidelines for the classification of types of crimes to facilitate comparative analysis. Many states, including New Jersey, follow FBI guidelines.

The major component of the FBI reporting system is the annual "crime index." Law enforcement agencies throughout the United States have used this index as a barometer to measure street crime. The index is composed of the total number of murders, rapes, robberies, assaults, breaking and enterings, larcenies and automobile thefts for a particular year for a particular state, county or local government. The FBI has chosen to concentrate on these seven types of crimes, almost to the exclusion of all others, as they are the most likely ones to be reported to the police and because they "occur with 'sufficient frequency' to provide an adequate basis for comparison."

Tourism figures have only recently been reported. Since 1976, the New Jersey Expressway Authority has provided annual estimates as to the number of tourists who visit Atlantic City. In 1986, the New Jersey Expressway Authority estimated that approximately 30 million tourists visited the city. On a daily basis, tourists represented an additional 82,000 individuals in addition to the resident population of 37,140.

Utilizing the Uniform Crime Reports and the figures

provided by the New Jersey Expressway Authority, the effects of both the legalization of gaming and tourism on street crime can be investigated by utilizing four procedures. First, pre- and post-gaming periods were examined, through the use of an interrupted times series model, to determine if the two periods were in fact different. Pre- and post-gaming periods for Atlantic City were compared, utilizing a dummy variable for gaming (pre-gaming: 1967-76 and post-gaming: 1977-86).[2] The incidence of crime was measured as the number of crimes or "crime index" divided by the population and multiplied by 1,000. This variable was regressed on the dummy variable over the period from 1967 through 1986 (Equation 1):

Equation 1

$$CR_t = a_1 + a_2D_t + e_t$$

where a_2 is hypothesized to be positive, and
D_t = 0 for pre-gaming years
D_t = 1 for post-gaming years
C = Crime Index for Atlantic City
P = Atlantic City Resident Population
CR = (C/P X 1000)
e = Residual

Supplementing this part of the study was simple time-regression analysis of, separately, pre- and post-gaming periods, to determine the crime growth rates unique to each period for Atlantic City, Atlantic County and the State of New Jersey.[3] (Atlantic County's and the State of New Jersey's crime figures do not include those crime figures for Atlantic City. This procedure was employed to avoid Atlantic City's crime figures from affecting the crime rates for Atlantic County and the state of New Jersey). In this first part of the analysis, since tourism figures have only been estimated since 1977, only the relationship between crime and pre- and post-gaming periods was analyzed.

The second procedure focused on the period from 1977 through 1986 when tourism figures are available. The gaming variable, referred to as the legalization of gaming, was measured as the total daily gaming revenue of the casino-hotels in a given year (DGR). The incidence of crime was then regressed against each of these variables in the following way:[4]

Equation 2

TOURISM:

$$CR_t = a_1 + a_2T_t + e_t$$

where a_2 is hypothesized to be positive, and
T = Average Daily Tourist Population for Atlantic City

Equation 3

LEGALIZATION OF GAMING:

$$CR_t = a_1 + a_2DGR_t + e_t$$

where a_2 is hypothesized to be positive, and
DGR = Daily Gross Gaming Revenue for Atlantic City Hotel-Casinos

A third procedure examined, through multiple regression analysis, the relationship of street crime with tourism/legalization of gaming and the daily gross gaming revenue generated per casino-hotel (based on $100,000). The following equation was specified:

Equation 4

$$CR_t = a_1 + a_2(T/DGR)_t + a_3(DR/H)_t + e_t$$

where a_2 and a_3 are hypothesized to be positive, and
T/DGR = Tourism/Legalization of Gaming
DR/H = Daily Gaming Revenue Per Casino-Hotel

Multiple regression analysis and examination of beta coefficients and the Durbin-Watson statistic were utilized as the analytical techniques best suited to test the hypothesis incorporated in the model of the effects of tourism/legalization of gaming over the period from 1977 to 1986. The beta coefficients provide a method of overcoming problems associated with statistically examining differing units (i.e., street crime, tourism/legalization of gaming, and daily gaming revenue per casino-hotel). The adjusted R square and Durbin Watson statistic are presented with the results of our analysis.

The analysis concluded with a comparison of Atlantic City crime rates with those of two of New Jersey's more popular tourist destinations, Wildwood City and Seaside Heights. Mean crime rates per 1,000 residents for the three cities were compared to determine if they were statistically different over the post-gaming period. Analysis of variance was utilized to test the null hypothesis that there was no difference between the three mean values.

Crime Analysis

It is apparent that Atlantic City currently has the highest crime rate in the state of New Jersey, with roughly 418 crimes for every 1,000 residents in 1986 (State of New Jersey, New Jersey State Police, 1986). This figure is quite high when compared with Atlantic County where there were 48 crimes per 1,000 persons or with the state, which averaged 51 crimes per 1,000 people.[5] Analysis of the dummy variable confirms street crime has increased significantly in post-gaming Atlantic City compared to the pre-gaming period (see Table 1).

Table 1

Dummy Variable Result

$$CR_t = 100.77 + 199.60D_t$$
$$(5.10)^*$$

$R2 = 0.61$
(t-values)
*Significant at .05

Employing growth rate regression analysis before (1967-76) and after (1977-86) the legalization of casino gaming demonstrates Atlantic City's crime rate increased at a slightly higher

rate when compared to the state's rate. Regression analysis generated a slope of 4.80 for Atlantic City for the period 1967-76 and a slope of 4.01 for the state for the same period. (The slope registers the average increase/decrease per year per 1,000 people). However, during the ten years after the legalization of casino gaming (1977-86), Atlantic City experienced a significantly higher increase in street crime (slope = 37.36) compared to the rest of the state (slope = -0.67). Atlantic County's crime figures, which exclude crime data for Atlantic City, registered a decreasing rate (slope = -0.71) over the post-gaming period. (Table 2 presents four components of the crime variable for Atlantic City with their pre- and post-gaming regression coefficients).

Table 2

Street Crime in Atlantic City: Pre- and Post-Gaming/1000 Residents

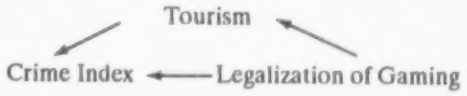
	Pre-Gaming	Post-Gaming
	(Growth Rate Coefficients)	
Robbery:	0.68	0.95
	(2.90)*	(2.93)*
B & E:	0.53	1.62
	(0.87)	(2.00)
Larceny:	2.99	33.89
	(2.04)	(7.50)*
Auto Theft:	-0.47	0.21
	(-1.16)	(0.35)

(t-values)
*Significant at .05

Proponents of casino gaming expressed their dismay over the failure of many (i.e., Abrams) to incorporate tourism figures in their respective analyses. Atlantic City experiences a unique problem in this regard. There are now more tourists in Atlantic City daily than there are inhabitants (82,000 tourists daily versus 37,140 inhabitants in 1986). Only recently have figures pertaining to the number of tourists in Atlantic City become available. Incorporating the daily tourism figures for each year with the base population, Atlantic City crime rate figures still showed a higher rate of increase (slope = 4.10) compared to pre- and post-gaming periods for both Atlantic County (slopes of -1.21 and -0.71, respectively) and the state of New Jersey (slopes of -1.17 and -0.67, respectively). It is interesting to note that the pre-gaming Atlantic City figures, which do not include tourists, remain comparable to the post-gaming figures which include tourists. Inclusion of tourism in the analysis does not alter the fact that there has been a change in street crime in Atlantic City subsequent to the legalization of casino gaming.

The previous analysis provided a cursory examination of pre- and post-gaming periods. The analysis demonstrated that the two periods appear to be statistically different. To determine whether street crime is significantly and independently related to the legalization of gaming and tourism, the second statistical procedure was used (see Figure 1 and Equations 2 and 3).

Figure 1



In examining the post-gaming era, simple regression analysis confirms that the legalization of casino gaming is not the only factor relating to the increase in street crime in Atlantic City. Regression analysis has demonstrated that tourism and the legalization of gaming separately explain significant portions of the variation in street crime (see Table 3).

Table 3

Street Crime with Legalization of Gaming

$$CR_t = 82.4 + 0.00005DGR_t$$
$$(6.70)^*$$
$$(\text{Beta} = 0.92)$$

$R2 = 0.85$
$DW = 1.67$

Street Crime with Tourism

$$CR_t = 142.9 + 0.004T_t$$
$$(8.01)^*$$
$$(\text{Beta} = 0.94)$$

$R2 = 0.89$
$DW = 1.79$
(t-values)
*Significant at .05

Tourism and the legalization of gaming, which was the catalyst for tourism growth in Atlantic City,[6] were highly correlated to each other. The estimated regression which included both tourism and gaming indicated that tourism had a positive and significant impact on crime; however, the gaming variable was negative and insignificant. These results are consistent with a high degree of multicollinearity between the two variables.

The third procedure, which combined the data operationalized for the legalization of gaming and tourism, provided a means by which to develop a model to analyze the effects of street crime with tourism/legalization of gaming and the daily

gaming revenue per casino-hotel. The new variable utilized to analyze tourism/legalization of gaming was positive and significant. The gaming revenue per casino-hotel variable, however, was negative and statistically significant (see Table 4). This again suggests a high degree of multicollinearity between the two variables, making it difficult to isolate their separate influences on crime.[7]

Table 4

Street Crime in Atlantic City, New Jersey

$$CR_t = 82.92 + \underset{(7.06)^*}{\underset{(\text{Beta} = 1.23)}{6.78\,(T/DRG)_t}} - \underset{(-2.47)^*}{\underset{(\text{Beta} = -0.47)}{0.29\,(DR/H)_t}}$$

$R2 = 0.91$
$DW = 1.41$
(t-values)
*Significant at .05

The final procedure incorporated into the analysis provided an alternative approach to analyze the legalization of gaming and street crime since the previous steps found the existence of multicollinearity in the data. Crime figures for Atlantic City, Wildwood and Seaside Heights were compared. Over the ten-year post-gaming period Wildwood City and Atlantic City had comparable mean crime rates per 1000 residents. In examining the post-gaming era to determine if the mean crime rates were statistically different, analysis of variance demonstrated the mean crime rates for Atlantic City, Wildwood and Seaside Heights were not statistically different. Street crime in all three communities (including post-gaming Atlantic City) were similar (see Table 5).

Table 5

Analysis of Variance Summary Table: Mean Crime Rates for Atlantic City, Wildwood and Seaside Heights

Source of Variation	Sums of Squares	Degrees of Freedom	Mean Squares	F
Between Groups	28,590.02	2	14,295.00	
Within Groups	147,932.86	27	5,478.99	2.61*
Total	176,522.86	29		

*Not significant at .05

Policy Implications

One may argue that casino gaming brought tourism into the Atlantic City community and is a causal factor of street crime. We can conclude that tourism has had an effect on street crime in Atlantic City. What should be emphasized is that if gaming was legalized in communities which are predominantly tourist areas, street crime should increase only minimally in proportion to population (including tourism) to crime. Specifically, if gaming was legalized in non-tourist areas, i.e. pre-gaming Atlantic City, crime would increase dramatically. Atlantic City, as a resort in 1976, had long since lost both its reputation as the "Queen of Resorts" and tourists.

Regression analysis has demonstrated that casino gaming should not be assumed to be the impetus of street crime, as significant and positive relationships were found between street crime and both tourism and the legalization of gaming. This finding was supported by the fact that two non-gaming tourist destinations (Wildwood and Seaside Heights), compared with Atlantic City, had comparable mean crime rates. One should add that while Seaside Heights and Wildwood City enjoyed limited tourist economies (June-September), gaming has provided Atlantic City with a year-round tourist economy.

The policy implication of the legalization of casino gaming may be that its legalization creates a tourist environment which "criminals" actively seek as the probabilities of detection and arrest are small. Street crime in tourist areas may, as McPheters and Stronge (1974, 288-92) suggested, be "an externality or by-product" of the tourism industry. Researchers have also documented that tourists are less likely to return "to the scene of the crime" as costs (i.e., air fare, hotel, etc.) are high and insurance claims have provided for any losses.

Prior to the legalization of gaming, pro-casino advocates predicted economic prosperity if gaming was legalized in Atlantic City. However, gaming has not provided the catalyst for economic revitalization. Except for the casino-hotel properties, Atlantic City retains much of its pre-gaming economic and social fabric. Many now argue that further economic expansion of the casino industry, which is currently taking place, must occur in Atlantic City. The continued expansion in the city "must" be accompanied by an expansion of the housing market. Added city revenue could be used to hire more police officers and expanded casino development could spur new jobs. The resulting population growth would support a wider range of additional services and retail establishments. If these events do occur, street crime in Atlantic City may decrease. However, for the present, street crime in Atlantic City appears to be both directly (tourism) and indirectly (gaming) related (see Figure 1) to the revitalization of Atlantic City through casino gaming.

Our findings are preliminary and additional investigation of legalized gaming and street crime is essential for a proper evaluation. Since the study examined only three of the many possible causal variables, the results should be viewed as suggesting of a relationship which needs to be confirmed. The existence of multicollinearity in the data presented a problem which is difficult to address and may have biased the results. However, future studies utilizing better data and additional

resources need to be undertaken. In addition, casino gaming should be allowed more time before any judgment regarding its impact is made final.

Conclusion

This study examined an increase of street crime in Atlantic City. Fortunately, this increase has been confined to Atlantic City, as statistical analysis indicated a decline in the crime index for Atlantic County. The study did demonstrate that casino gaming, statistically, was not the only significant factor explaining the increase in street crime. It was also shown, despite the existence of multicollinearity, that the increase in street crime in Atlantic City is significantly related, at least in part, to tourism. This finding was supported by the fact that the mean crime rates of two non-gaming communities (Wildwood City and Seaside Heights) were found to be statistically similar to Atlantic City's crime rate. Casino gaming was the catalyst for tourism as Atlantic City became a major resort-destination on the East Coast.

Notes

1. The authors of the literature cited in this study have provided various explanations which they believe explain the relationship between crime and tourism. The list presented in this paper provides a collective summary of those respective authors.

2. The legalization of casino gaming for statistical purposes was defined as the years 1977 to 1986. 1977 was chosen as it marked the year in which Governor Bryne signed the legislation which authorized casino gaming in Atlantic City, the beginning of the construction of casino-hotels and the revitalization of Atlantic City.

3. This method provided estimates (slopes) with respect to the annual increase (or decrease) in street crime per 1000 residents unique to the pre- or post-gaming period.

4. Unemployment figures were also analyzed. However, although unemployment was statistically significant with the legalization of gaming, inclusion as an independent variable during multiple regression analysis resulted in no significance. This result does not suggest that unemployment did not have any association with street crime or any predictive power. It meant that unemployment had no additional significant association with street crime over and above that which is contained by the variables in the multiple regression equation: tourism/legalization of gaming and daily gross gaming revenue per hotel-casino. These two variables collectively accounted for approximately 91 percent of the variation in street crime. It should be noted that unemployment had a negative correlation with tourism/legalization of gaming indicating a decline in unemployment over the post-gaming period.

5. Atlantic County's and the State of New Jersey's crime figures do not include those crime figures for Atlantic City. This procedure was employed to avoid any bias which may have resulted from Atlantic City's crime figures incorporation in both Atlantic County and State of New Jersey crime figures.

6. The legalization of gaming was also statistically significant as an explanatory variable of tourism ($r2 = .98, t = 24.43^{*}$, D.W. = 1.60; * significant at .05). Casino gaming was the catalyst for tourism growth in Atlantic City.

7. Simple regression analysis also found a significant and negative relationship between the number of casino-hotels and the daily gaming revenue per casino-hotel.

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The Incidence and Implications of Financial Stress in Nevada's Agricultural Sector

*by David K. Lambert and Lani Linebaugh**

Introduction

Agricultural producers in the United States have been experiencing financial difficulties in the 1980's unparalleled since the Great Depression (Duncan and Drabenstott, 1985). The number of farms and ranches has declined more than six percent since 1980. The market value of farm assets, led by decreasing farmland values, has fallen nearly 27 percent over the same period. Average farm debt to asset ratios, reflecting falling asset values and increased indebtedness resulting from low product prices, have risen from lows of 16 percent in the 1970's to 25.5 percent in 1985 (Economic Research Service, 1986).

The distribution of financial stress has not been evenly distributed among farm firms. The most severely affected segment of the industry has been the middle-sized producers with annual sales between 50,000 and 500,000 dollars (Economic Research Service, 1985). The highest percentage of the troubled businesses are in this group, with 6.4 percent of the group being technically insolvent (i.e., debts exceed assets) in 1985 (Economic Research Service, 1985). The extent of the problems facing these medium-sized producers has led several authors to predict a bimodal distribution of farm sizes within the agricultural industry, with most of the farms being small and most of the value of production originating from fewer, larger farms. Recent trends in the concentration of production do not dispute these projections (Smith, Richardson, and Knutson, 1984).

Although aggregate data do indicate that Nevada's producers are experiencing worsening capital positions (Economic Research Service, 1984), no empirical data exists describing the extent or the incidence of financial stress among the producers of the Silver State. This study was undertaken to collect and analyze data relating to agricultural problems within the state.

The main objective of the study was to assess the current economic condition of Nevada's producers. The following items were addressed:

1. How do such socio-economic factors as rancher age, value of farm production, and farmer experience affect an operation's financial condition?
2. How long do individual farmers and ranchers expect to be able to continue operating under present economic conditions, and what factors effect these expectations?
3. Are Nevada producers current in servicing debt?
4. What is the economic condition of Nevada's producers relative to the rest of the nation's agricultural producers?

Concluding comments address the prospects for producers currently facing severe financial stress.

Methodology

Questionnaires were mailed in March and April of 1986 to 300 Nevada farmers and ranchers randomly selected from Cooperative Extension mailing lists. Questions concerned the producers' present financial positions and sought opinions on how to deal with the farm credit problem. The sample represented 20 percent of the 1,500 Nevada farmers and ranchers on the mailing lists. Sixty-one usable surveys were returned, representing a 20.3 percent return rate.

Both the sample size and the number of usable returned surveys are typical for studies of this sort. The 20.3 percent return rate of the Nevada survey compares favorably with rates experienced by New Mexico (23.6 percent, New Mexico Department of Agriculture, 1984), Colorado (17.7 percent, Timmermeier and Garland, 1986), and North Dakota (31.9 percent, Pederson et al., 1985) in similar studies of financial stress in agriculture. Higher return rates were found in Idaho (66.9 percent, Meyer and Hardner, 1985) and Wyoming (48.9 percent, Vanvig and Hundley, 1986). Both of these states improved their response rates by conducting telephone interviews with those sampled producers not responding to the initial mail questionnaire.

Sample size as a percentage of the population in the states listed above ranged from a low of 9.5 percent in Colorado to a high of 22.5 percent in Wyoming. Nevada's sample percentage of 20 percent of the producers found on Cooperative Extension mailing lists, though small in absolute number compared to other states, is typical of samples drawn for these studies.

Responses were tabulated and standard statistical procedures were used to analyze the results. Individual observations on debt to asset ratio were tested for correlations with gross sales, length of time the producer has been operating, age of the respondent, and organization of the firm. It was expected that age and length of tenure would be negatively related to debt to asset ratio because younger producers usually have high debt loads associated with starting out in business. Gross sales were expected to be positively related to debt to asset

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ratio since larger operations usually have to borrow heavily to reach their high production levels.

Investigating the factors responsible for ranch failures was not possible using cross sectional data. Since these factors are important for policy development, it was desirable to identify the producer characteristics most associated with ranch failure. A logit model was used to associate subjective beliefs about how long a producer would remain in business with several socio-economic variables. A grouping procedure described in Pindyck and Rubinfeld (1981, p. 290) was used to stratify producers by age and debt to asset ratio.

Results of the regression would be used to estimate subjective expectations of continued ranch survival based on debt to asset ratio and on age of the producer. It was expected that there would be a high probability of the producer expecting to soon be out of business as the debt to asset ratio increased and as the age of the producer decreased.

Farm and Ranch Characteristics

Of the total acres that the sampled Nevada producers utilized, 90.7 percent was leased rangeland. This was expected since 85.5 percent of Nevada's land is public domain and most Nevada producers rely on public land grazing permits for a large portion of their cattle feed requirements. The remaining 9.3 percent of the total reported acres was evenly split among cropland, hayland, deeded rangeland and pasture.

Beef production is the major agricultural enterprise in Nevada (Nevada Agricultural Statistical Service). As seen in Table 1, 82 percent of the sampled producers owned livestock; 70.5 percent had some type of cattle operation.

Cattle sales make up 58.4 percent of the total gross income represented in the sample (Table 2). Cattle sales are followed by sales of alfalfa hay, 24 percent of the total income.

Distribution by Volume of Sales

Gross sales is a common measure of farm size. Average total gross income (including off-farm income) for all respondents was $153,344. Nevada farms and ranches are large compared to the national distribution. Table 3 illustrates this skewness towards larger production units. More than 85 percent of the farms and ranches in the United States have sales of under $100,000. In Nevada, on the other hand, more than 44 percent of the operations have sales over $100,000.

Table 1
Type of Livestock Operation

Type of Operation	Percent of Sample
Cow/calf	49.2%
Cow/yearling	19.7%
Stocker	1.7%
Ewe/lamb	3.3%
Other	6.6%
No livestock	18.0%

Although production units tend to be larger in Nevada, there appears to be a more even distribution of ranch units when ranked by sales volumes than is found in the national data. Figure 1 illustrates the distribution of total value of production among the different production units within Nevada and the United States. The straight line running from lower left to upper right represents the situation where gross sales would be distributed perfectly evenly among all ranches (i.e., 10 percent

Table 2
Gross Receipts from Ranch Marketing by Commodity

	Sample 1985		Nevada (1985)	
Commodity	% of Total Receipts	Total Receipts (1000's)	% of Total Receipts	Total Receipts (1000's)
Cattle and Calves	58.4	5,117	45.8	101,754
Dairy Products	*	*	15.1	33,408
Sheep and Lambs	0.7	57	3.1	6,954
Other Livestock	0.4	35	0.8	1,808
All Hay	27.7	2,429	20.1	44,662
Potatoe	*	*	6.0	13,358
Food & Feed Grains	0.8	73	3.6	7,954
All Other Crops (Including Pasture Rent)	1.7	149	5.5	12,166
TOTAL	100.0	8,760	100.0	222,064

*Note: Figures withheld due to small number of sampled producers in these categories.
Source: Nevada figures from Nevada Agricultural Statistics Service (1986).

Table 3
Farm Size by Gross Sales; Nevada vs. U.S.

Gross Sales	Nevada (sample data) % of producers	Nevada (sample data) % of total income	United States % of producers	United States % of total income
under 40,000	32.8	4.0	70.3	14.5
40,000-100,000	23.0	11.0	15.2	16.1
100,000-200,000	18.0	17.5	6.6	15.7
200,000-400,000	11.5	43.7	3.5	37.3

Source: National figures from Economic Research Service (1986).

of the value of production was produced on 10 percent of the ranches, 70 percent of the sales were produced on 70 percent of the ranches, etc.). Curves lying closer to this straight line represent more uniform distributions than those lying farther to the right and below. Trend data, not collected in this study, would be useful for indicating any tendency for increasing concentration in Nevada's agricultural sector.

Age and Length of Tenure

The majority of the sampled producers (62.3 percent) were over the age of 50. Only 4.9 percent of the sample were under 35 and 32.8 percent were between 35 and 49.

More than half of the producers surveyed (52.5 percent) had been operating for more than 25 years, an obvious correlation to the age distribution observed. Another 29.5 percent had been operating for 15 to 25 years; only 3.3 percent had been in business fewer than five years.

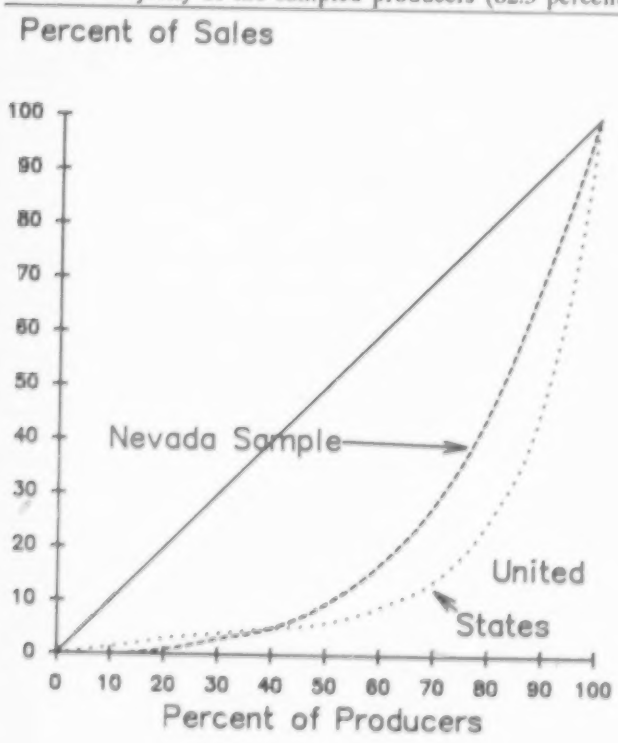

Figure 1. Percentage of farm sales versus percentage of farms.

Business Organization

The most common business organization was the sole proprietorship, comprising 67.2 percent of the sample. Partnerships accounted for 19.7 percent of the sampled operations and 11.6 percent were organized as corporations.

Financial Characteristics of the Sampled Producers

Debt Asset/Ratios

One measure of a firm's financial condition is the debt to asset ratio. This ratio measures the solvency of the firm, or the relationship between a firm's assets and the claims that are made against those assets. Average debt to asset ratios have been worsening nationally in the agricultural sector since the mid-1970's (Economic Research Service, 1986). The national agricultural balance sheet for 1985 estimated an average debt to asset ratio of 25 percent. The average ratio calculated from the survey data was 25.5 percent for Nevada's producers. Similar to the national data, however, there is a strong positive skewness in the distribution of the ratio among the producers (Figure 2).

Debt Servicing Characteristics

Operating loans, used to finance operations during the periods when cash needs exceed reserves, were held by 45.9 percent of the respondents. The remainder either operated on cash reserves or financed their operations from off-farm income sources. Of the 37 operating loans accounted for in the survey, 26 were current on both principal and interest. Ten of the loans were current only on interest; one was in arrears for both interest and principal payments.

Fifty-six of 73 real estate loans held by the surveyed producers were current on interest and principal, 12 were

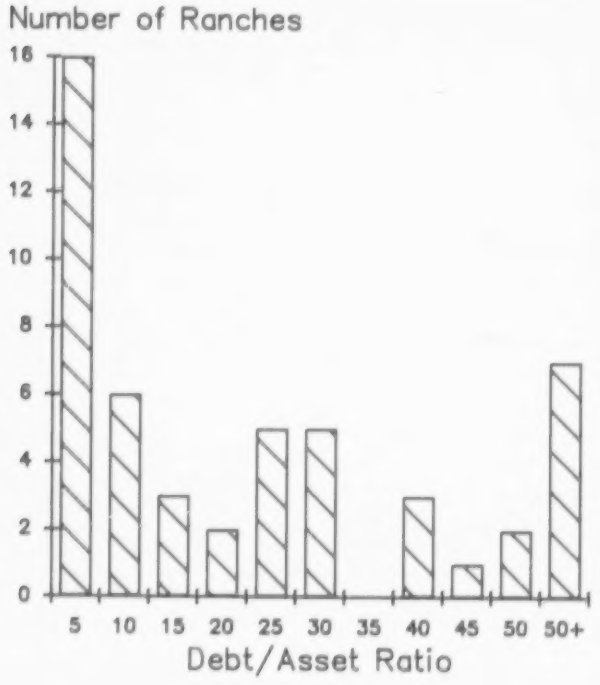

Figure 2. Debt/Asset distribution of sample ranches.

current only on interest, and five were delinquent on both interest and principal. Nearly one-quarter (24.6 percent) of the respondents did not have any long-term debt.

With respect to continued borrowing, 50 applications for new financing had been submitted by the respondents over the past five years. Eighteen percent of these applications were denied. This refusal rate compares with a 30 percent denial rate found in Idaho (Meyer and Gardner) and the 32 percent denial rate considered to be "normal" for Missouri, according to a survey of bankers conducted in that state (Bevins, 1985).

Statistical Analysis of Financial Position Factors

Table 4 contains the results of regression analyses conducted to identify personal and ranch characteristics associated with solvency problems among the sampled producers. Age of the respondent and years of ranching experience influenced the observed values of the debt to asset ratio. As both age and experience increased, debt to asset ratios declined. This relationship was not statistically significant for length of experience, but producers over the age of 65 had lower debt to asset ratios, significant at the 99 percent level. Weak evidence suggested that the group from 50 to 65 years of age were experiencing the highest debt to asset ratios.

Value of farm sales had a positive impact on the debt to asset ratio. Similar to findings in other states (Meyer and Gardner, 1985; Johnson et al., 1986), producers with sales of less than $40,000 had relatively low debt to asset ratios. Current hypotheses for this observation contend that, for this group of producers, farm or ranch income is a relatively minor proportion of total family income (Economic Research Service, 1985). Income from other sources is thus used to finance the part-time agricultural enterprise. Commercial producers, with annual sales exceeding $100,000 appeared to have the highest proportion of family income derived from off-farm sources, often must borrow funds for capital expenditures as well as operating expenses through the production year. Low output prices and high real interest rates have hampered these producers' ability to reduce financial obligations. The concluding section of this paper illustrates this problem.

The legal organization of the business had a strong influence on the debt to asset ratio. No significant difference was found between sole proprietorships and limited partnerships. Incorporated businesses did, however, have a significantly higher ratio of debts to assets.

Subjective Expectation of Ranch Survival Factors

With the recent nationwide reductions in the number of farms (Economic Research Service, 1986), knowledge of the factors associated with firm survival in the agricultural sector is important to developers of programs addressing farm profitability. The farms and ranchers included in the sample were thus asked to estimate how long they felt they would be able to continue operating with no major changes in the current agricultural environment. The majority of the producers (60.7 percent) felt that they would be able to remain in business for at least ten more years; however, 11.5 percent, believed that they would probably be unable to continue ranching for more than one more year.

Since the study was cross-sectional, actual survival of the operations surveyed could not be determined. Therefore, a logit model was estimated to correlate farmers' expectations of continued survival to their debt to asset ratio, a variable assumed to be closely tied to actual survivability of an operation. Logit models are commonly used to estimate the probability of a certain event's occurrence, given the values of a number of factors deemed important in determining the event's occurrence. In the current application, subjective feelings regarding the likelihood of continued operation were associated with several financial and socio-economic variables.

The results indicated that 22 percent of producers with debt to asset ratios of less than 20 percent felt they would be out of business within five years. Almost half (49.6 percent) of those whose ratio was between 20 and 50 percent also felt they would be out of business within five years.

The increasing age of the state's agricultural population is likely to continue if conditions detected in this study continue. The logit model was expanded to determine the effects of producer age on subjective beliefs of continued survival. Of the producers under the age of 50, 35.2 percent believed they would not be able to continue operating for more than five years under current conditions.

Table 4
Debt to Asset Ratio Related to Ranch and Individual Characteristics

Length of Tenure		15 years	15-25 years	More than 25 years
D/A Ratio		29.84	24.79	20.71
Standard Deviation		8.83	6.62	5.41
Observations		9	14	26
Gross Sales	**Less than $40,000**	**$40,000 $99,999**	**$100,000 - $199,999**	**More than $200,000**
D/A Ratio	4.73	20.3	37.68	32.38
Standard Deviation	8.35	10.72	7.10	6.59
Observations	19	10	6	13
Organization of the Firm		**Sole Proprietorship**	**Partnership**	**Corporation**
D/A Ratio		22.73	18.10	47.62
Standard Deviation		4.39	7.73	12.81
Observations		33	10	6
Age of Owner/Operation		**Less than 50 years**	**50-64 years**	**More than 65 years**
D/A Ratio		24.75	30.32	10.04
Standard Deviation		6.01	5.70	7.69
Observations		18	20	11

Result Implications for Nevada's Agricultural Sector

Various financial performance measures were evaluated for a representative Nevada ranch under different indebtedness levels to determine potential firm survival. Production costs and yield characteristics for a 520-acre Diamond Valley irrigated alfalfa ranch were derived from a 1986 Cooperative Extension enterprise budget (Lewis and Meyer, 1986). Financial performance indicators were calculated for this ranch with debt to asset ratios ranging from zero to one.[1] Results are reported in Table 5.

The results indicate that a representative Nevada alfalfa ranch is unable to withstand any significant level of financial liabilities in the 1986 agricultural economy. As liabilities increase from zero, the already marginal performance of the business deteriorates. Rates of return to equity decline, owner equity erodes each year, and cash flow balances become increasingly negative as the ratio of debts to assets increase. Similar results have been reported for Nevada livestock producers under various debt to asset ratios (Lambert and Torell).

Conclusion

Empirical results reported in this paper suggest that Nevada producers are not exempt from the financial stress that has affected the agricultural sector since the early 1980's. The average debt to asset ratio from a sample of Nevada producers is almost identical to the national average. Similarities in the distribution of financial difficulties were also observed between the state and national figures. Commercial producers, for whom agricultural sales constitute a large proportion of gross family income, are experiencing the worst solvency positions. Distribution of financial problems by age and by experience were generally not significant. However, older (over 65), more experienced respondents (with more than 25 years of ranching experience) tended to have lower debt to asset ratios.

Analysis of a representative Nevada ranch indicated that farmers and ranchers cannot produce themselves out from even low indebtedness levels. Production costs are so high and farm prices so low that ranchers will have difficulty servicing any level of debt. Changes in production processes, development of alternative marketing strategies, and use of marginal analyses in increasing economic efficiency are required for individual producers to survive and prosper under current conditions. Those individuals unable to adopt efficient management processes are likely to join the growing list of former agricultural producers.

Notes

1. The whole farm budgeting program, FINPACK, developed by the University of Minnesota (Hawkins et al.), was used to analyze the different indebtedness levels.

Table 5
Financial Performance Measures for a Representative Nevada Ranch Under Different Solvency Positions

	Total Debt/Total Assets					
Revenue	0.0	0.2	0.4	0.6	0.8	1.0
Value of Farm Production	149,760	$149,760	$149,760	$149,760	$149,760	$149,760
Expenses						
Interest	0	17,877	35,753	53,631	71,506	89,383
Other Cash Costs	$111,239	111,239	111,239	111,239	111,239	111,239
Net Cash Farm Income	38,521	20,644	2,768	-15,110	-32,985	-50,862
Depreciation	24,352	24,352	24,352	24,352	24,352	24,352
Profit or Loss	14,169	-3,708	-21,584	-39,462	-57,337	-75,214
Farm Net Worth	861,700	689,360	517,020	344,680	172,340	0
Farm Net Worth Rate of Return	-0.4%	-3.1%	-7.6%	-16.5%	-43.4%	0
Annual Rate of Net Worth Change	-138	-16,108	-33,984	-51,862	-69,737	-87,614
Projected Liquidity						
Annual Cash Surplus or Deficit	-138	-18,813	-39,394	-59,977	-85,230	-113,068

Note: All borrowed money was charged a 10 percent annual interest rate. Intermediate liabilities were assumed to have a five-year term. Real estate debt was assumed to have a 20-year life.

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Pregnancy Leave Controversy: Business and Labor Policy Implications

*by William A. Nowlin and George M. Sullivan**

On Jan. 13, 1987, in the matter of California Federal Savings and Loan Association v. Guerra,[1] the U. S. Supreme Court, in a 6-3 decision, upheld a California State Law that required employers to allow women disability leave for pregnancy and childbirth, and to guarantee them reinstatement to the same or similar job. The decision was hailed as a victory by women's groups and a cause for concern for thousands of employers, especially small businesses in the State of California, as well as small businesses around the country.

Why small businesses across the country? For the past two years, effective trade association and U.S. Chamber of Commerce lobbying prevented a major bill, the Family and Medical Leave Act (HR 4300),[2] also known as the Parental Leave Act, from being debated on the floor of the U.S. Congress. Its critics argue that the bill would increase business costs. Those who support the bill argue that a parental leave benefit should be extended to all workers, not just to women in California and six other states with a California-like law. Hearings began in the Congress in mid-1987 to develop support for the bill.

This article explores and assesses the parental leave controversy from several perspectives: (1) the Supreme Court decision; (2) the reaction of the business community and supporters; (3) the Parental Leave Act; (4) parental leave policies abroad; (5) paternity leave; and (6) other unanswered questions.

The Pregnancy Discrimination Act

Title VII of the Civil Rights Act of 1964[3] prohibits various forms of employment discrimination, including discrimination based on sex. In interpreting Title VII's application to pregnancy the Supreme Court, prior to 1987, had not found discrimination because of pregnancy violative of Title VII. In General Electric Co. v. Gilbert,[4] the U.S. Supreme Court in 1976 ruled that discriminating against a woman because of pregnancy was not sex discrimination under Title VII. The court said that an otherwise comprehensive disability insurance plan which failed to cover pregnancy-related disabilities was acceptable and did not violate Title VII.

Relying on a previous decision in Geduldig v. Aiello,[5] which had upheld a similar disability plan against a Fourteenth Amendment equal protection challenge, the Court found it permissible to exclude pregnancy from the list of compensable disabilities.[6] In Nashville v. Satty,[7] the Court upheld an employer's sick-leave policy that excluded pregnancy. Disagreeing with the Gilbert decision, Congress amended Title VII by passing the Pregnancy Discrimination Act (PDA) in 1978.[8] It specified that sex discrimination included discrimination on the basis of pregnancy. The PDA stated that "the terms 'because of sex' or 'on the basis of sex' in section 703(a) of Title VII included, but are not limited to, because of or on the basis of pregnancy, childbirth or related medical conditions shall be treated the same for all employment-related purposes...."

California Federal v. Guerra

California had established a state statute[9] that required employers to grant female employees up to four months leave and a guarantee of job security to employees disabled by pregnancy. The Supreme Court was asked to decide, in California Federal (Cal Fed) Savings and Loan v. Guerra, whether the state statute conflicted with the PDA.

Cal Fed had a leave policy that permitted employees who had completed three months of service to take unpaid leaves of absence for a variety of reasons including disability and pregnancy. It was Cal Fed's policy to try to provide an employee taking unpaid leave with a similar position upon returning to work. However, it reserved the right to terminate the employee if a similar position was not available. The case involved Lillian Garland who was a receptionist at Cal Fed. From January to April 1982 she took a pregnancy disability leave. In April, Cal Fed denied her request for reinstatement to the same or similar job because no such position was available. As a result she did not return to work until November 1982.

Ms. Garland filed suit with the California Department of Fair Employment and Housing. The Department determined that Cal Fed had violated California law. Cal Fed filed for declaratory and injunctive relief against the invoking of the California law. Cal Fed had also initiated a separate federal action seeking judicial support for its position that the statute was not consistent with the PDA.

The U.S. District Court, relying on Newport News Shipbuilding v. EEOC,[10] opined that the California law made employers vulnerable to reverse discrimination suits brought by males who did not receive the same treatment as female employees disabled by pregnancy, and the court held the Statute

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was pre-empted by Title VII.[11] On this same basis, however, the Ninth Circuit Court of Appeals concluded that the lower court defied common sense, misinterpreted case law, and flaunted Title VII and the PDA.[12] To support its assertion, the court opined that the PDA established a floor beneath which pregnancy disability benefits may not drop - not a ceiling above which they may not rise.[13]

In analyzing the efficacy of Title VII pre-emption holding of the Circuit Court, the Supreme Court established guidelines to determine whether a state statute is pre-empted by federal law and therefore invalid under the Supremacy Clause of the Constitution. It theorized that a conflict may occur either because compliance with both federal and state regulations is a physical impossibility or because the state law stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.[14] The Court held that pre-emption is not likely to be presumed and Sections 708 and 1104 of the Civil Rights Act of 1964 indicated that state laws would be pre-empted only if they conflicted with federal law. Therefore, the Court chose as its mandate to decide whether the California law was consistent with the PDA and whether the PDA allows states to require reinstatement of pregnant workers, regardless of their policy for disabled workers generally.

Cal Fed contended that the PDA clearly rejected California's special treatment approach to pregnancy discrimination, thus rendering unnecessary any analysis of legislative history. The language of the PDA states in part that, "The terms 'because of sex' or 'on the basis of sex' in Section 703(a) of this title include, but are not limited to, because of or on the basis of pregnancy, childbirth or related medical conditions shall be treated the same for all employment related purposes...."[15]

Disavowing the apparent conclusiveness of the statutory language, Justice Marshall, writing for the plurality, noted that: "It is a familiar rule, that a thing may be wit hin the letter of the statute and yet not within the statute, because not within its spirit nor within the intention of its makers."[16] On the contrary, Justice White countered that the language could not be clearer: "It mandates that pregnant employees shall be treated the same for all employment related purposes as non-pregnant employees similarly situated with respect to their ability or inability to work" and that the "language leaves no room for preferential treatment of pregnant workers."[17]

Preferential Treatment Approved

In assessing what the Congress intended when it passed the PDA, the plurality noted that although the reports, debates and hearings made it abundantly clear that Congress intended the PDA to provide relief for working women and to end discrimination against pregnant workers, the legislative history was "devoid of any discussion of preferential treatment of pregnancy."

The plurality noted that Cal Fed found support in the legislative history to the effect that the PDA did not require employers to extend any benefits to pregnant women that they did not already provide to other disabled employees. The Court, acknowledging that the House Report explained that the proposed legislation did "not require employers to treat pregnant employees in any particular manner," nevertheless held that the references did not support the argument of Cal Fed.

The crux of the Court's reasoning was that: "If Congress had intended to prohibit preferential treatment, it would have been the height of understatement to say only that the legislation would not require such conduct. It is hardly conceivable that Congress would have extensively discussed only its intent to not require preferential treatment if in fact it had intended to prohibit such treatment."[18]

Justice White, taking issue with this method of reasoning in establishing a major social policy with broad economic consequences, stressed that the House Report and the Senate Report on the Pregnancy Discrimination Bill "in no way requires the institution of any new programs where none currently exist."[19] In addition, comments made by prominent legislators, such as Senator Brook, Senator Kennedy and Senator Bayh, illustrate that Congress had no intention of creating a protected class entitled pregnancy disability. They made it clear that only companies with existing disability coverage would be affected, and that it required employers with such coverage to treat pregnancy-related disabilities similar to other temporary disabilities.[20]

As if to emphasize its commitment to the proposition that pregnancy disability was a new protected class, the Court said: "Moreover, even if we agreed with petitioner's construction of the PDA, we would nonetheless reject their argument that the California statute requires employers to violate Title VII." The California statute does not compel California employers to treat pregnant workers better than other disabled employees, the Court said; it merely establishes benefits that employers must, at a minimum, provide to pregnant workers. "Employers are free to give comparable benefits to other disabled employees, thereby treating 'women affected by pregnancy' no better than other persons not so affected but similar in their ability or inability to work."[21]

The high court believed that by taking pregnancy into account, the California law allowed women, as well as men, to have families without losing their jobs.[22]

Decision Impact on Business

Robin Conrad of the United States Chamber of Commerce questions: "What will a small business do when it needs to fill a position when a woman leaves to give birth?"[23] Without question this decision negatively impacts small businesses in the states where there exists a law similar to California's. Concern over this question lead seven thousand employers to support Cal Fed in this case.

Most large companies have parental leave policies that permit women to leave the work force to have a child with a guarantee of a job upon return. Eighty-one percent of the Fortune 500 companies have such policies.[24] Many small business, however, do not provide a guarantee of reinstate-

ment to the extent that larger companies do, and they argue that it is for good reason. Small businesses have a more difficult time holding a position open while employees recover from disabilities. This policy position is not taken to discriminate against women. The policy holds for males and females alike who are unable to perform their job because of any nonjob- related injury or disability.

Paula Connelly, an attorney for the United States Chamber of Commerce, states that the Chamber is gravely disappointed with the Court's decision. She reasons that now there is no limit to what states can mandate employers to do and she wonders how small businesses will manage.[25]

Impact on Women

Women, groups that support and lobby for women, and society in general believe this decision by the Court acknowledges the difficulty women have experienced in raising children and maintaining a career. The National Organization for Women and other feminist groups, although they support the Court's decision, would have preferred the decision was broader to cover other disabilities suffered by men and women.[26]

There are a number of reasons for women's support of the decision and for their desire for broader coverage. There has been an increase of women in the work force - 43 percent in 1970 to 53 percent in 1982, more than six million families are supported by working female heads of households,[27] and 41 percent of all mothers in 1982 were back to work before their children were a year old.[28] In addition, in 1985, 48 percent of women with children less than a year old were in the work force,[29] 65 percent of women of child bearing age are presently in the work force, and 90 percent of women have had or will have children during their careers.[30] Also, half of all mothers with children under three are in the labor force.[31]

These data indicate clearly that more mothers are in the labor force, they have borne or will bear children, more women are single heads of households, and women return to work after having children. Supporters of the Court's decision argue that women are an important part of the labor force, and their dual contributions to society ought to be recognized.

Should policies on pregnancy discrimination be established with dramatic differing results on a state-by-state basis or should the Congress enact legislation? Only six states (Connecticut, Hawaii, Kansas, Massachusetts, New Hampshire and Washington) have a law similar to California's. However, similar legislation has been proposed in 26 states.[32] Women's groups are happy that the Court protected California women with the law, but disappointed that the Court did not give similar protection to all workers without regard to sex. Because of this, and to avoid a state-by-state push to establish parental leave laws on an inconsistent basis, congressional action is expected.[33]

Congressional Action Anticipated

Beginning in March, 1987 in the Congress, the Labor Management Subcommittee, chaired by Representative William Clay, and the Civil Service Subcommittee, chaired by Representative Patricia Shroeder, have held congressional hearings to garner support for the Family and Medical Leave Act, H.R. 925[34] (last year - H.R. 4300), also known as the Parental Leave Bill. A similar bill was introduced in 1987 in the Senate by Senator Christopher Dodd.[35]

Successful lobbying in 1986-87 by a coalition of trade associations, to include the National Association of Manufacturers and the National Chamber of Commerce, kept the bill off the House floor.[36] Modified in October, 1987,[37] the bill provides for:

- up to 10 weeks, over 24 months, of unpaid leave upon the birth, adoption, or serious health condition of a dependant child or parent;
- up to 15 weeks of unpaid leave for a serious health condition or pregnancy related disability;
- continuation of health coverage;
- restoration to original or equivalent position;
- leave taken on a reduced hour basis if both parties agree;
- voluntary substitution of paid leave for any part of unpaid leave;
- medical certification and recertification at employer's request, and a provision for a second opinion;
- eligibility - one year of service (20 hours per week minimum);
- the establishment of a commission to study the feasibility of leave on a paid basis and to study the effects on small business; and
- exemption of employers of less than 50 workers.[38]

Supporters and Critics

Supporters of the Act, such as NOW, the Women's Legal Defense Fund, the Congressional Caucus for Women's Issues and numerous labor organizations, contend there is a growing consensus that working mothers and fathers should be able to spend time with a new child, a seriously ill child, or elderly parent, without risking their jobs. Also, family care experts have found that during the first months of a child's life important bonding of a family takes place and parents should have an opportunity to be with their child during this time. Supporters also contend that employers should accommodate an employee who is willing and able to return to the workforce after childbirth or a serious illness, and that it makes sense from a humanitarian, as well as an economic perspective.

Critics of the Act, such as the U.S. Chamber of Commerce, the National Manufacturers Association, and the 2,700 members of the National Organization of Women Business Owners argue that Congress ought not to intrude in an area best left to employers, or employers and employees through the collective bargaining process. They are in the best position to design employment benefit and compensa-

tion packages especially tailored to a specific workforce or the need to be competitive. Critics abhor the push toward government-mandated benefits and are concerned that this initiative lacks consideration of an employer's ability to pay or the desirability of this benefit by employees as compared to some other benefit.[39] They also assert that the Act benefits a select group, specifically, married couples, not single parents.

Concern has been expressed about the difficulty that small business employers would face in complying with this legislation. They would experience hardships in holding a job open, retraining a replacement, and/or continuing health benefit premiums. This is one reason the Act was amended to exclude employers with fewer than 50 workers. However, critics maintain the Act is still anti-small business.

Although large companies have demonstrated an ability to absorb parental leave costs, small businesses are less able to afford it, even though they are responsible for the greatest job growth. Between 1980 and 1983, small business enterprises added 1 million new jobs, while Fortune 500 companies lost 3 million domestic jobs.[40]

Parental Leave Public Policy Abroad

There are countries that require employers to grant parental leave, and some that require the continuation of wages for both the father and the mother. The United States and South Africa are the only countries in the West without national parental leave policies.[41] This information is simply offered for comparative purposes, not to argue that the United States should duplicate policy from abroad.

Canada grants 24 weeks for mothers at 60 percent of pay. France grants 16 weeks for mothers at full pay up to a maximum covered by social security. The law also permits up to 6 months of paid leave for the third or subsequent child. Either parent can also take up to two years off without pay for parenting purposes.[42]

West Germany grants 40 weeks for mothers at full pay. Mothers can take a subsequent 10 weeks leave with social security insurance, and an additional 10 months at a reduced rate.[43] Sweden has a very liberal parental leave law. Mothers or fathers are eligible for 40 weeks at full pay. Additional leave can be obtained until the child reaches 18 months of age.[44] Italy requires that employers grant mothers 44 weeks, 22 at 80 percent of pay, while Chile requires that mothers be paid 100 percent of their pay for 18 weeks.[45]

Of course, it may not be reasonable to argue that these countries are more advanced than America in recognizing the dual contributions made by women. It is clear, at least in the countries cited, that women are not disadvantaged in compensation or position because of a decision to bear a child, while maintaining an interest in a career.

On the other hand, it is foolhardy to make such comparisons isolated from other societal, employment and compensation factors. For example, wage levels are higher in America than in the countries cited. Therefore, any evaluation and comparison to argue for duplication must consider carefully all of the relevant factors.

Paternity Leave

Whatever public policy is decided, equal protection of the law is a key issue, and a primary reason for the push to federal legislation. Even though the California law requires that leave be granted only to women, the Parental Leave Act would not discriminate. A study of 1,500 of the country's largest employers by Catalyst, a Manhattan-based organization for the development of women's careers, found that while 52 percent offered parental leave to women, only 37 percent offered such leave to men.[46] There have been a few cases recorded where men were denied parental leave that otherwise would have been granted to women. They challenged the right of the employer to deny them.

In June 1985, a settlement between EEOC v. Commonwealth Edison Company resulted in a male employee being granted paternity leave. He had requested up to a six-month leave to take care of his infant child. Although the company routinely granted such leave to its female employees, the company refused his request. The matter was settled when the company promised to ensure employees equal access to leave and other benefits, and granted the male parental leave.[47]

Also in 1985, a similar issue was addressed in City of Hartford v. International Brotherhood of Police Officers, Local 308. The Department of Labor's State Board of Mediation and Arbitration decided that a male police officer was discriminated against because of his sex when he was denied a request for "post partum leave." A clause in the collective bargaining agreement assured leave to police officers for pregnancy and childbirth related reasons. Another clause assured that the agreement would be administered nondiscriminatorily. The Board agreed with the union's contention that the employer violated the "no discrimination" clause and ordered that leave be granted to the male officer.[48]

In 1986, a male employee of the Social Security Administrations' Long Island New York branch initiated a Title VII action because of the employer's refusal to grant him leave to care for his infant son. The agency reversed its decision just before the case went to court and granted the leave.[49]

Although few in number, these cases do reflect that some males will avail themselves of policies or laws granting leave for parenting-related reasons. For society this may mean that males will assume more responsibility for child rearing, an endeavor that if successful should be applauded. For the business sector it could mean more costs to recruit, select, train and compensate replacements for temporary help until the parent returns to work.

Conclusion

In California, remedial social legislation had been enacted granting preferential treatment to employees based on pregnancy. This statute was challenged because of a perceived conflict between the state statute and the federal PDA.

Even though Congress had never expressed an intent in current legislation to single out pregnancy disability for special treatment, the Supreme Court, in approving in the Cal

Fed case the preferential classification of pregnancy, opined that if Congress had intended to exclude pregnancy it would have explicitly said so. It is hardly conceivable that Congress would have extensively discussed only its intent not to require preferential treatment if in fact it had intended to prohibit such treatment.

Critics of the Parental Leave Act indicate that some opportunities for abuse exist if the Act is passed. There may be increased discrimination against women of child bearing age, reduction or elimination of other more preferred benefits, and reluctance to hire older workers (those more apt to become disabled). They wonder if males will abuse the Act by claiming "paternity," but actually use the leave from work for some other purpose.

Supporters respond that the Civil Rights Act of 1964 prohibits discrimination in employment. Those who opt to discriminate illegally risk litigation.

Some question just how much "inspired absenteeism" the economy can take without it adversely affecting productivity, entrepreneurial spirit and job creation. The money to underwrite the leave policy will be allocated at the expense of productivity at a time when high productivity is the best defense against imports.

Critics also suggest that insufficient studies have been conducted to determine the real costs of parental leave legislation. What are the real costs (1) in productivity decline, (2) in training and retraining, and (3) in paying benefits for two individuals who are slotted in the same job, while one is actually working and the other on leave?

Critics question the productivity impact. Since the cost of productivity is high in the U.S., relative to other industrial nations, but productivity is low, relative to those same nations, how will parental leave legislation affect cost of production?

Is the Congress concerned with the long-term implications of this legislation, or is it interested only in the short-term popularity such legislation will enjoy? Will this legislation encourage businesses to relocate in foreign countries, subcontract portions of their work to foreign countries or seek other means to reduce the threat of the parental leave burden?

These questions do not appear to have been answered. They do not have easy answers. Therefore, it becomes the responsibility of employers and employee groups and organizations to ensure that their positions on these matters are adequately represented and heard in the legislative halls of the Congress of the United States.

There are currently 70 representatives cosponsoring the House bill. According to *Resource* (March 1987), the monthly magazine of the American Society for Personnel Administration, many undecided members of the Congress are waiting for comments from their districts before making up their minds. Specifically, they want information from constituent businesses on how the bill would impact different sized businesses.[50]

The Congress will decide this year and attempt to properly balance the interests of business and the supporters of parental leave.

Notes

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3. Civil Rights Act, Title VII, 92 Stat. 2076, 42 U.S.C. 2000e (1964).
4. General Electric v. Gilbert, 429 U.S. 125 (1976).
5. Geduldig v. Aiello, 417 U.S. 487 (1974).
6. General Electric v. Gilbert, supra, p. 133-136.
7. Nashville v. Satty, 434 U.S. 136, 143-146 (1977).
8. Civil Rights Act, supra 2000e (k).
9. California Labor Code Ann., 1420.35 1978 *Cal Stats*, ch. 1321, 1, p. 4320-4322; *California Government Code Ann.*, 12945 (b) (2) (West 1980).
10. Newport News Shipbuilding v. EEOC, 462 U.S. 669 (1983).
11. California Federal, supra, p. B613.
12. California Federal Savings and Loan Association v. Guerra, 758 F.2d 390, 395 (CA-9 1985).
13. Ibid., p.396.
14. Ibid., pp. B614 and B615.
15. Civil Rights Act, supra 2000e (k).
16. California Federal, supra, pp. B617 and B618 citing Steelworkers v. Weber, 443 U.S. 193, 201 (1979), Church of the Holy Trinity v. United States, 143 U.S. 457 (1982).
17. Ibid., pp. B632-B633.
18. Ibid., p. B620.
19. Ibid., p. B638, citing *H.R. Rep.* No. 95-948, p. 4 (1978), *Leg Hist.* 150; S. Rep. No. 95-331, p. 4 (1977), Leg. Hist. 41.
20. Ibid., p. B639, citing 123 *Cong. Rec.* 7541, 8145, 29,388 (1977).
21. Ibid. pp. B624-B625.
22. Ibid. p. B623.
23. "Law granting pregnancy leave upheld." *Democrat and Chronicle*, 14 Jan. 1987,1,5.
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28. "HRM Update." *Personnel Administrator*, April 1985,23.
29. Aric Press, Ann McDaniel, and Lynda Wright, "A New Family Issue." *Newsweek*, 26 Jan. 1987,23.
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31. "HRM Update." *Personnel Administrator*, Dec. 1985,16.
32. Martha Brannigan, "Laws on Parental Leave Benefits Draw Opposition from Employers." *Wall Street Journal*, 12 Oct. 1987,20.
33. Stephen Wermeil, "Justices Uphold Law on Leave for Pregnancy." *Wall Street Journal*, 14 Jan. 1987,1.
34. "Debate Rages Over Mandatory Leave." *Employee Benefit News*, Jan./Feb. 1987,24.
35. Ibid.
36. Ibid.
37. "Compromise Reached on Parental Leave Bill." *Resource*, Nov. 1987,13.
38. H.R. 925, Family and Medical Leave Act (1987).
39. William A. Nowlin, "Parental Leave: Creative Social Policy or Government Intrusion." *Rochester Business Magazine*, Feb. 1987:43.
40. Ibid.
41. Press, McDaniel, and Wright, p. 23.
42. "Business Starts Tailoring Itself to Suit Women." *Business Week*, 6 Oct. 1986,53.
43. Ibid.
44. Ibid.
45. Press, McDaniel and Wright, p. 23.
46. *The Woman Engineer*, p. 16.

47. EEOC v. Commonwealth Edison Co., U.S.D.C., NI11, case no. 85-C5637, June 28, 1985.

48. City of Hartford v. International Brotherhood of Police Officers, Local 308, Conn. Dept. of Labor, State Board of Mediation and Arbitration, case no. 8384-526, July 25, 1985.

49. *The Woman Engineer*, p. 16.

50. "Backers Seeking Quick Vote on Leave Bill." *Resource*, March 1987,9.

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Nevada Economic Indicators

Statewide Statistical Data

	October 1987	November 1987	December 1987	4th Quarter 1987	PERCENTAGE CHANGE 3th Quarter-1987 4th Quarter-1987		4th Quarter-1987 4th Quarter-1987	
Total Labor Force (000's)	566.1	569.2	574.2	569.8	+	0.4	+	3.4
Total Employment (000's)	530.3	531.5	535.8	539.2	+	0.6	+	3.6
Unemployment (000's)	32.6	34.5	38.4	35.2	+	10.7	+	15.0
Unemployment Rate	5.8	6.1	6.7	6.2	+	11.4	+	11.4
Seasonally Adjusted Rate	6.2	6.3	6.3	6.3	+	5.0	+	11.9
Agricultural Employment (000's)	6.2	4.9	4.5	5.2	-	33.9	+	0.0
Establishment-Based Industrial Employment								
Total All Industries (000's)	508.9	511.6	512.6	511.0	+	0.6	+	6.3
Mining	7.5	7.5	7.6	7.5	+	4.1	+	15.3
Contract Construction	33.1	32.3	31.8	32.4	-	0.7	+	14.2
Manufacturing	23.8	24.1	24.0	24.0	+	1.3	+	6.0
Transportation & Utilities								
Transportation	16.4	16.7	16.6	16.6	+	1.0	+	4.6
Railroads	1.3	1.3	1.3	1.3	+	0.0	+	0.0
Air	4.0	4.2	4.1	4.1	+	0.8	+	1.7
Public Utilities	11.5	11.5	11.4	11.5	+	0.3	+	0.9
Total Trade	102.3	103.9	105.6	103.9	+	1.3	+	5.7
Wholesale Trade	17.8	18.0	18.1	18.0	+	0.0	+	5.1
Retail Trade	84.5	85.9	87.5	86.0	+	1.6	+	5.8
Finance, Ins., & Real Estate	24.5	24.5	24.6	24.5	+	0.3	+	5.7
Service Industries	223.7	224.3	224.2	224.1	-	1.7	+	6.2
Hotels, Gaming & Recreation	142.9	142.5	140.0	141.8	-	1.6	+	7.8
Medical & Health	21.2	21.4	21.4	21.3	+	2.2	+	4.2
Total Government	66.1	66.8	66.1	66.3	+	7.2	+	4.0
Federal	11.6	11.4	11.3	11.4	-	2.3	+	5.5
State & Local	54.5	55.4	55.5	55.1	+	9.9	+	4.0
Education	25.2	26.0	26.2	25.8	+	25.9	+	3.6
Average Weekly Earnings in Selected Industries								
Mining	627.7	642.7	637.1	635.8	+	2.1	+	3.9
Construction	592.9	566.7	592.6	584.0	-	0.0	-	4.1
Manufacturing	398.8	398.7	391.8	396.4	+	1.5	+	0.6
Public Utilities	572.3	600.2	553.4	575.3	+	1.3	-	2.4
Trade	303.9	297.4	296.3	299.2	-	2.6	+	2.9
Average Weekly Hours in Selected Industries								
Mining	42.5	43.9	42.9	43.1	-	0.2	-	0.2
Construction	36.8	35.0	36.6	36.1	+	0.9	-	3.1
Manufacturing	40.2	40.6	40.6	40.5	+	2.3	-	1.3
Public Utilities	39.8	40.8	39.5	40.0	+	0.8	-	3.7
Trade	34.3	33.6	33.9	33.9	-	3.0	+	0.8
Average Hourly Earnings in Selected Industries								
Mining	14.8	14.6	14.9	14.8	+	2.4	+	4.1
Construction	16.1	16.2	16.2	16.2	-	0.9	-	1.2
Manufacturing	9.9	9.8	9.7	9.8	-	0.7	+	1.9
Public Utilities	14.4	14.7	14.0	14.4	+	0.4	+	1.2
Trade	8.9	8.9	8.7	8.8	+	0.5	+	2.0
Construction Activity								
Residential ($000's)	116,300	83,600	79,800	279,700	-	2.0	+	41.7
Nonresidential ($000's)	66,200	81,300	41,600	189,100	+	24.2	-	0.3
Nonbuilding ($000's)	23,800	2,000	25,800	51,600	-	26.5	-	8.2
Total ($000's)	206,300	166,900	147,200	520,400	+	2.6	+	17.4
# of New Dwelling Units	1,084	1,164	1,198	3,446	-	40.3	+	35.6
Tax Collections								
Liquor	1,414,619	1,235,359	1,106,240	3,756,218	+	18.5	+	7.8
Cigarette	2,335,031	2,398,686	2,320,124	7,053,841	+	13.4	+	42.4
Fuel	4,691,633	6,467,482	521,347	16,372,593	-	0.6	+	33.3
Quarterly Taxable Sales ($000's)	858,751	841,134	1,063,650	2,763,535	+	4.3	+	10.4
Quarterly Gaming Revenues ($000's)				949,665	-	8.5	+	10.8
Highway Traffic Flow								
17 Selected Stations (Avg. Daily)	150,998	135,113	128,421	138,177	-	12.2	+	16.4

Las Vegas Standard Metropolitan Statistical Area

	October 1987	November 1987	December 1987	4th Quarter 1987	PERCENTAGE CHANGE 3th Quarter-1987 4th Quarter-1987		PERCENTAGE CHANGE 4th Quarter-1987 4th Quarter-1987	
Total Labor Force (000's)	329.7	333.8	335.8	333.1	+	1.7	+	4.7
Total Employment (000's)	309.2	312.8	313.1	311.7	+	1.4	+	4.0
Unemployment (000's)	20.4	20.9	22.7	21.3	+	6.0	+	16.2
Unemployment Rate	6.2	6.3	6.8	6.4	+	4.9	+	12.2
Seasonally Adjusted Rate	6.3	6.4	6.4	6.4	+	2.7	+	11.7
Agricultural Employment (000's)	1.5	1.2	1.1	1.3	-	33.3	+	0.0
Establishment-Based								
Industrial Employment								
Total All Industries (000's)	291.7	294.4	293.8	293.3	+	2.3	+	8.5
Mining	0.3	0.3	0.3	0.3	+	12.5	+	0.0
Contract Construction	19.9	19.0	19.2	19.4	+	0.0	+	15.3
Manufacturing	8.8	8.8	8.9	8.8	+	1.5	+	7.3
Transportation & Utilities								
Transportation	9.7	10.0	9.9	9.9	+	1.0	+	4.2
Railroads	0.4	0.4	0.4	0.4	+	0.0	+	0.0
Air	3.0	3.1	3.0	3.0	+	1.1	+	0.0
Public Utilities	6.2	6.2	6.1	6.2	+	1.1	+	3.4
Total Trade	59.4	60.4	61.4	60.4	+	2.3	+	6.4
Wholesale Trade	9.9	9.9	9.9	9.9	+	0.0	+	6.5
Retail Trade	49.5	50.5	51.5	50.5	+	2.7	+	6.4
Finance, Ins. & Real Estate	14.7	14.8	14.9	14.8	+	0.5	+	7.0
Service Industries	139.6	140.8	139.0	139.8	+	1.3	+	10.4
Hotels, Gaming & Recreation	92.7	93.1	91.8	92.5	+	1.0	+	11.2
Total Government	33.1	34.1	34.1	33.8	+	10.1	+	4.4
Federal	6.5	6.4	6.5	6.5	+	0.5	+	7.8
State & Local	26.6	27.7	27.6	27.3	+	12.7	+	3.7
Education	12.9	13.5	13.6	13.3	+	29.0	+	4.4
Construction Activity								
Las Vegas								
Residential ($000's)	11,752	10,997	11,128	33,877	-	23.1	+	10.2
Nonresidential ($000's)	12,307	7,006	17,369	36,682	+	14.8	-	38.1
Total Value ($000's)	24,059	18,003	28,497	70,559	-	10.7	-	21.5
# of New Family Units	178	187	216	581	+	67.0	+	29.1
North Las Vegas								
Residential ($000's)			875	875	-	32.4	+	5.3
Nonresidential ($000's)	326	213	791	1,330	-	74.0	+	9.2
Total Value ($000's)	326	213	1,666	2,205	-	70.5	-	16.7
# of Permits	43	47	46	136	+	871.4	+	5.4
Quarterly Taxable Sales ($000's)				1,547,237	+	9.9	+	8.9
Quarterly Gaming Revenues ($000's)				675,036	-	2.0	+	12.1
Air Transportation-McCarran								
Passengers (Arrivals & Departures)	1,357,763	1,251,977	989,895	3,599,635	-	2.2	+	11.9
Cargo Enplaned (lbs.)	2,065,799	2,179,813	3,992,189	8,237,801	+	36.1	+	25.7
Cargo Deplaned (lbs.)	3,309,261	2,982,846	4,383,168	10,675,275	+	26.7	+	10.8
Highway Traffic Flow								
4 Selected Stations (Avg. Daily)	37,842	34,951	36,031	36,274	-	16.4	+	3.6
Room Tax ($)								
Clark County	2,283,454	2,010,932	2,523,763	6,818,149	+	6.4	-	5.7
Las Vegas City	378,496	381,227	427,029	1,186,752	+	4.0	+	23.1
MSA Total	2,687,608	2,419,447	2,975,454	8,082,509	+	5.9	-	1.9

Reno Standard Metropolitan Statistical Area

	October 1987	November 1987	December 1987	4th Quarter 1987	PERCENTAGE CHANGE 3th Quarter-1987 4th Quarter-1987		4th Quarter-1987 4th Quarter-1987	
Total Labor Force (000's)	138.7	139.6	140.6	139.6	-	0.5	+	0.4
Total Employment (000's)	131.9	131.9	131.6	131.8	-	1.5	-	0.3
Unemployment (000's)	6.8	7.7	9.0	7.8	+	18.7	+	15.2
Unemployment Rate	4.9	5.5	6.4	5.6	+	19.1	+	15.1
Seasonally Adjusted Rate	5.5	5.6	5.9	5.7	+	5.6	+	13.3
Agricultural Employment (000's)	0.8	0.6	0.6	0.7	-	33.3	+	0.0
Establishment-Based								
Industrial Employment								
Total All Industries (000's)	134.5	134.6	134.2	134.4	-	0.2	+	3.8
Mining	0.8	0.8	0.8	0.8	+	0.0	+	9.1
Contract Construction	8.1	8.1	7.8	8.0	-	4.4	+	9.6
Manufacturing	8.3	8.4	8.4	8.4	-	2.0	-	0.4
Transportation & Utilities								
Transportation	4.9	4.9	5.0	4.9	+	1.4	+	4.2
Railroads	0.4	0.4	0.4	0.4	+	0.0	+	0.0
Public Utilities	4.0	4.1	4.1	4.1	+	0.8	-	0.8
Total Trade	30.3	30.9	31.5	30.9	+	1.3	+	3.9
Wholesale Trade	6.5	6.6	6.7	6.6	-	1.0	+	1.5
Retail Trade	23.8	24.3	24.8	24.3	+	2.0	+	4.6
Finance, Ins. & Real Estate	7.2	7.2	7.2	7.2	+	0.5	+	4.3
Service Industries	54.1	53.4	52.5	53.3	-	2.9	+	2.2
Hotels, Gaming & Recreation	31.4	30.7	29.9	30.7	-	4.7	+	4.3
Total Government	16.8	16.8	16.9	16.8	+	8.4	+	4.1
Federal	3.1	3.0	3.0	3.0	+	1.1	+	8.3
State & Local	13.7	13.8	13.9	13.8	-	13.0	+	3.2
Education	7.8	7.9	7.9	7.9	+	23.6	+	1.3
Construction Activity								
Reno								
Residential ($000's)	3,863	10,770	3,189	17,822	-	9.9	+	9.0
Nonresidential ($000's)	2,576	2,607	5,075	21,028	+	77.7	+	13.2
Total Value ($000's)	6,439	13,377	8,264	28,080	-	11.2	-	19.6
# of New Family Units	76	211	35	322	-	6.7	+	20.6
Sparks								
Residential ($000's)	2,695	65	813	3,573	+	2.7	-	41.3
Nonresidential ($000's)	2,121	2,689	3,741	8,551	+	2.3	+	230.4
Total ($000's)	4,816	2,754	4,554	12,124	+	2.5	+	39.9
# of New Family Units	63	0	19	82	+	46.4	-	45.7
Washoe Co. (Unincorporated)								
Residential ($000's)	5,537	2,752	2,600	10,889	-	11.8	-	7.1
Nonresidential ($000's)	2,800	2,343	256	5,399	-	37.7	+	29.2
Total Value ($000's)	8,337	5,095	2,856	16,288	-	22.5	+	2.5
# of New family Units	61	25	24	110	-	36.8	-	12.0
Quarterly Taxable Sales ($000's)				606,618	+	0.6	+	1.4
Quarterly Gaming Revenues ($000's)				168,874	-	14.4	+	7.2
Air Transportation-Reno								
Passengers (Arrivals & Departures)	294,886	256,811	235,037	786,734	-	11.1	+	1.9
Cargo Enplaned (lbs.)	462,257	687,426	992,589	2,142,272	+	33.1	+	6.6
Cargo Deplaned (lbs.)	890,696	929,559	1,172,414	2,992,669	+	20.0	+	13.8
Highway Traffic Flow								
7 Selected Stations (Avg. Daily)	93,849	84,017	78,185	85,350	-	7.4	+	22.9
Room Tax ($)								
MSA Total	1,196,415	824,262	688,509	2,709,186	-	29.0	-	9.7

Nevada Statistical Data by County

	October 1987	November 1987	December 1987	4th Quarter 1987	PERCENTAGE CHANGE 3th Quarter-1987 4th Quarter-1987		4th Quarter-1987 4th Quarter-1987	
CARSON CITY								
Total Labor Force	21,050	21,180	21,310	21,180	-	0.7	+	0.3
Total Employment	19,830	19,840	19,780	19,816	-	1.8	-	0.9
Unemployment	1,220	1,340	1,530	1,363	+	19.6	+	22.1
Unemployment Rate	5.8	6.3	7.2	6.4	+	19.9	+	21.4
Construction Activity								
Residential Value ($000's)	1,884	2,563	1,693	6,140	-	34.8	-	54.8
Nonresidential Value ($000's)	1,713	484	4,856	7,053	+	113.8	+	172.5
Total Value ($000's)	3,597	3,047	6,549	13,193	-	4.1	-	24.6
# Of New Family Units	22	33	21	76	-	35.6	-	56.8
Quarterly Taxable Sales ($000's)				85,234	-	5.2	+	2.9
Quarterly Gaming Revenues ($000's)				8,429	-	20.4	-	6.6
CHURCHILL								
Total Labor Force	7,040	6,930	7,020	6,996	-	4.8	-	1.3
Total Employment	6,550	6,420	6,370	6,446	-	6.2	-	1.5
Unemployment	490	510	650	550	+	16.2	+	13.0
Unemployment Rate	6.9	7.5	9.3	7.9	+	23.4	+	13.4
Construction Activity								
Residential Value ($000's)	127	313	559	999	-	4.6	-	27.4
Nonresidential Value ($000's)	180	89	0	269	-	73.7	-	20.4
Total Value ($000's)	307	402	559	1,268	-	38.7	-	26.0
# Of New Family Units	1	4	6	11	-	31.3	-	35.3
Quarterly Taxable Sales ($000's)				31,408	-	9.9	+	44.8
DOUGLAS								
Total Labor Force	13,440	13,480	13,100	13,340	-	6.1	-	0.6
Total Employment	12,770	12,710	12,200	12,560	-	7.5	-	0.3
Unemployment	670	770	900	780	+	23.2	-	5.6
Unemployment Rate	5.0	5.7	6.9	5.9	+	32.3	-	4.3
Quarterly Taxable Sales ($000's)				54,843	-	21.5	+	3.8
Quarterly Gaming Revenues ($000's)				64,963	-	37.5	+	5.3
ELKO								
Total Labor Force	13,260	13,440	13,440	13,380	-	1.7	+	3.7
Total Employment	12,620	12,640	12,580	12,613	-	2.5	+	3.1
Unemployment	640	800	860	767	+	13.9	+	13.9
Unemployment Rate	4.8	6.0	6.4	5.7	+	16.2	+	10.3
Construction Activity/Elko City								
Residential ($000's)	569	5,299	269	6,137	+	320.9	+	712.8
Nonresidential ($000's)	232	9	138	379	+	18.1	-	56.1
Total Value ($000's)	801	5,308	407	6,516	+	266.3	+	302.7
# Of New Dwelling Units	8	15	0	23	+	27.8	+	187.5
Quarterly Taxable Sales ($000's)				78,470	+	15.8	+	43.5
Quarterly Gaming Revenues ($000's)				21,620	-	15.0	+	22.0
ESMERALDA								
Total Labor Force	480	450	430	453	-	18.6	-	41.4
Total Employment	440	410	390	413	-	20.0	-	43.4
Unemployment	40	40	40	40	+	0.0	-	7.7
Unemployment Rate	8.5	9.3	8.9	8.9	+	23.6	+	64.8
Quarterly Taxable Sales ($000's)				2,337	+	61.2	+	37.6
EUREKA								
Total Labor Force	1,460	1,440	1,420	1,440	-	1.4	+	19.0
Total Employment	1,410	1,400	1,380	1,396	-	2.1	+	20.1
Unemployment	50	40	40	43	+	30.0	-	7.1
Unemployment Rate	3.1	2.6	3.0	2.9	+	17.6	-	23.7
Quarterly Taxable Sales ($000's)				13,925	+	15.6	+	165.2

Nevada Statistical Data by County (Continued)

	October 1987	November 1987	December 1987	4th Quarter 1987	PERCENTAGE CHANGE 3th Quarter-1987 4th Quarter-1987		4th Quarter-1987 4th Quarter-1987	
HUMBOLDT								
Total Labor Force	5,540	5,330	5,250	5,373	-	8.8	+	2.7
Total Employment	5,210	5,040	4,940	5,063	-	9.6	+	3.7
Unemployment	330	290	310	310	+	8.1	-	11.4
Unemployment Rate	5.9	5.4	5.9	5.7	+	17.8	-	14.9
Quarterly Taxable Sales ($000's)				37,403	-	4.8	+	30.9
LANDER								
Total Labor Force	2,250	2,250	2,250	2,250	-	3.4	+	4.7
Total Employment	2,130	2,110	2,090	2,110	-	5.0	+	5.1
Unemployment	120	140	160	140	+	27.3	-	2.3
Unemployment Rate	5	6	7	6	+	31.7	-	8.0
Quarterly Taxable Sales ($000's)				17,101	+	22.6	+	84.2
LINCOLN								
Total Labor Force	2,210	1,380	2,230	1,940	-	13.4	-	12.2
Total Employment	2,100	1,250	2,160	1,816	-	14.4	-	12.4
Unemployment	110	130	130	123	+	5.7	-	9.8
Unemployment Rate	5.0	9.2	6.0	6.7	+	32.0	+	11.6
Quarterly Taxable Sales ($000's)				2,114	-	12.9	+	10.9
LYON								
Total Labor Force	12,530	12,840	12,990	12,786	+	4.2	+	25.6
Total Employment	11,820	12,080	12,080	11,993	+	3.7	+	25.0
Unemployment	710	760	910	793	+	12.3	+	36.0
Unemployment Rate	5.6	5.9	7.0	6.2	+	7.6	+	7.6
Quarterly Taxable Sales ($000's)				16,795	-	10.2	+	9.3
MINERAL								
Total Labor Force	3,410	3,430	3,370	3,403	+	0.2	+	1.4
Total Employment	3,220	3,190	3,170	3,193	-	0.8	+	1.5
Unemployment	190	240	200	210	+	18.9	+	0.0
Unemployment Rate	5.6	7.0	6.0	6.2	+	20.8	-	0.5
Quarterly Taxable Sales ($000's)				9,686	-	8.6	+	35.3
NYE								
Total Labor Force	7,340	6,110	7,320	6,923	-	5.6	-	2.9
Total Employment	6,930	5,660	6,900	6,496	-	6.8	-	4.1
Unemployment	410	450	420	426	+	18.5	+	19.6
Unemployment Rate	5.6	7.4	5.7	6.2	+	29.0	+	23.8
Quarterly Taxable Sales ($000's)				37,269	-	24.2	+	87.1
PERSHING								
Total Labor Force	2,410	2,380	2,450	2,413	+	1.0	+	16.8
Total Employment	2,320	2,290	2,320	2,310	-	0.6	+	16.5
Unemployment	90	90	130	103	+	55.0	+	24.0
Unemployment Rate	3.8	3.9	5.5	4.4	+	53.5	+	8.2
Quarterly Taxable Sales ($000's)				8,174	-	7.0	-	21.4
STOREY								
Total Labor Force	1,000	990	950	980	-	5.2	+	12.6
Total Employment	950	900	890	913	-	8.1	+	13.7
Unemployment	50	90	60	66	+	66.7	+	0.0
Unemployment Rate	5.0	9.3	6.7	7.0	+	73.6	-	5.4
Quarterly Taxable Sales ($000's)				3,200	-	20.2	+	8.1
WHITE PINE								
Total Labor Force	4,260	4,210	4,240	4,236	-	1.2	+	1.7
Total Employment	4,000	3,980	3,930	3,970	-	1.9	+	3.6
Unemployment	260	230	310	266	+	9.6	-	20.0
Unemployment Rate	6.1	5.5	7.3	6.3	+	11.8	-	20.6
Quarterly Taxable Sales ($000's)				14,178	-	2.5	+	29.8

Selected U.S. Economic Indicators

Consumer Price Index & Indexes of Selected Categories
All Urban Consumers
(1967 = 100%)

	October 1987	November 1987	December 1987	4th Quarter 1987	3th Quarter-1987 4th Quarter-1987		4th Quarter-1987 4th Quarter-1987	
All items	345.3	345.8	345.7	345.6	+	0.9	+	4.5
Food	335.3	335.1	336.7	335.7	+	0.5	+	3.5
Housing	375.2	374.9	375.3	375.1	+	0.2	+	3.6
Apparel and Upkeep	226.3	226.4	221.1	224.6	+	4.1	+	5.7
Transportation	321.9	321.4	323.3	322.2	+	0.8	+	6.0
Medical Care	469.8	471.7	472.9	471.5	+	1.2	+	6.1

Producer Price Indexes for Selected Commodity Groupings
(1967 = 100%)

All Commodities	311.4	311.9	311.7	311.7	+	0.4	+	4.5
Fuel and Power	492.9	491.4	491.8	492.0	-	2.8	+	12.3
Machinery and Equipment	309.0	309.5	310.4	309.6	+	0.5	+	1.6
Metals and Metal Products	333.3	336.0	340.4	336.6	+	3.6	+	7.9
Nonmetallic Mineral Products	354.2	354.2	354.2	354.2	+	0.4	+	1.0
Textile Products & Apparel	217.8	217.8	217.8	217.8	+	0.8	+	3.2

U.S. Labor Force

Civilian Labor Force (000's)	120,387	120,594	120,722	120,567	-	0.5	+	1.8
Total Employment (000's)	113,210	113,504	113,744	113,486	-	0.5	+	2.5
Unemployment (000's)	7,177	7,090	6,978	7,081	-	0.7	-	8.3
Unemployment Rate	5.9	5.9	5.8	5.9	+	0.0	-	9.7
Seasonally Adjusted	6.0	5.9	5.8	5.9	-	1.1	-	13.7

DATA SOURCES

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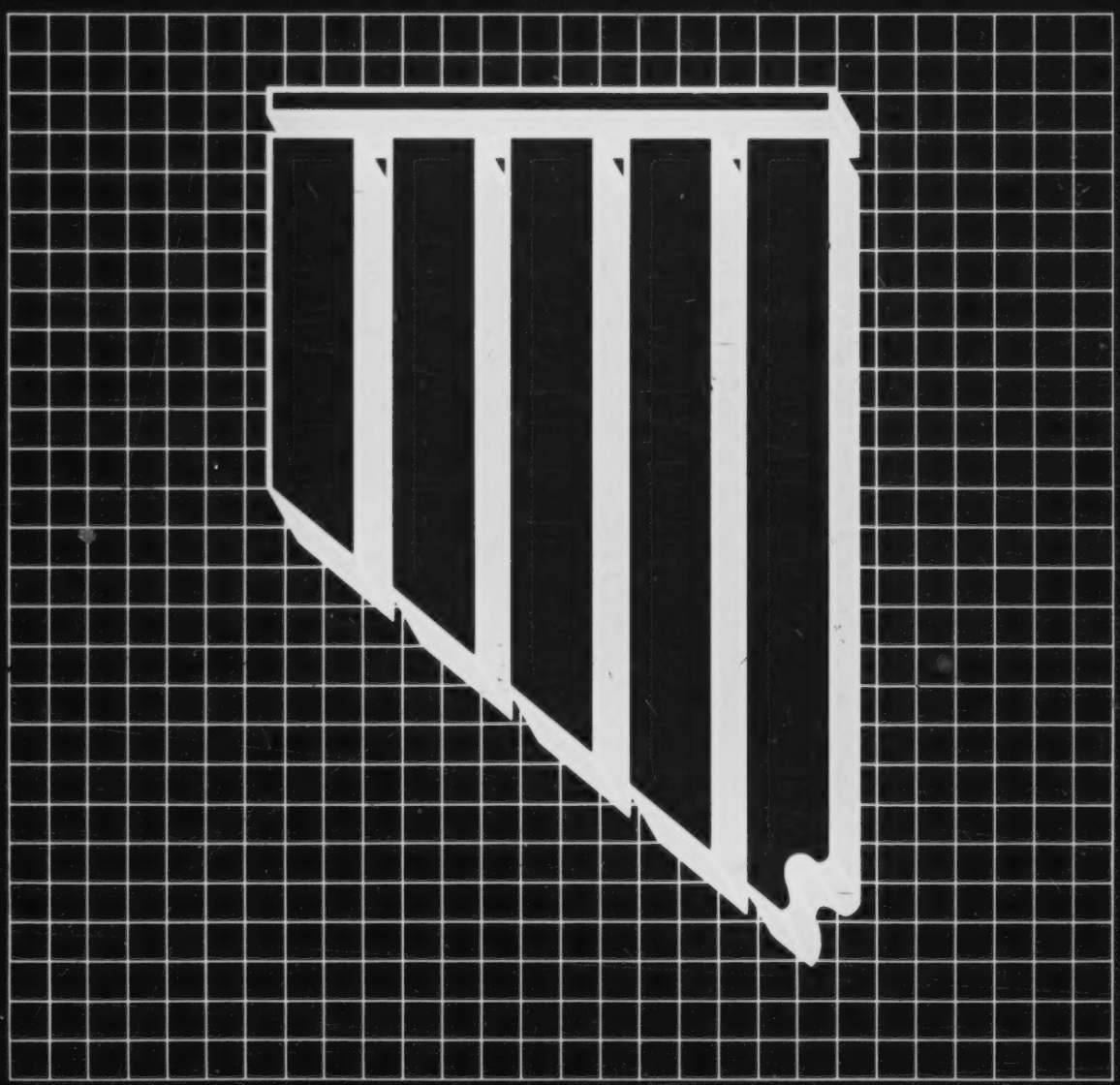

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CONTENTS

Nevada, the International Economy and Diversification 2
Julie A. Wilcox, Andrew P. Grose and Amy E. Conran

The Nevada Woman CPA: A Profile 6
Franklin J. Plewa, Ronald D. Balsley and Ronald P. LeBlanc

A Survey of Data Processing Salaires in the Reno/Sparks and Las Vegas Area 10
William A. Newman

Nevada Economic Indicators:
- Statewide Statistical Data 15
- Las Vegas MSA Data 16
- Reno MSA Data 17
- Nevada Statistical Data by County 18

Selected U.S. Economic Indicators 20

General Editorial Policy

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Nevada, the International Economy and Diversification

*by Julie A. Wilcox, Andrew P. Grose and Amy E. Conran**

Introduction

There has been a considerable increase in the scope and importance of state governments in the past decade. While their responsibilities have expanded, the role of federal government in some areas has begun to contract. With the decrease in federal programs for trade assistance, individual state governments have had to reformulate economic policies in order to compete in the international economy. A growing number of states appear to be developing explicit trade policies either separately or as part of a larger overall state economic development strategy. The appearance of several trends in state trade development can be attributed to the dramatic changes that have taken place in international trade and commerce during the past two decades.

Companies are being bought and sold across national borders in an effort to globalize corporate activities and seek new markets beyond provincial boundaries. Given the internationalization of the world economy, no state economic development program can be complete, or even really effective, without an international element. This growth in international trade is positively affecting the American national economy, creating opportunities for states to attract job creating investment from abroad as well as promote exports to foreign markets.

In 1986 state legislative sessions around the nation, international trade development activities were numerous and varied. States refined their established trade promotion programs, and studied approaches to trade development either as a lone effort or as part of a larger economic development initiative. Development was seen in state trade and education with the establishment of higher educational programs and agency organizations, all directed at economic growth through international activities.

As part of its 1986 economic development package, the Kansas Legislature converted the State Department of Economic Development to a new State Department of Commerce. They also established a new Trade Development Division to help exporters develop expertise, seek out new markets for Kansas products, and recruit foreign investment. The Florida Legislature in 1986 created the "Florida Council on Far East Research and Development" within the State Board of Regents to coordinate foreign investment with the academic/research facilities of the State University System. The goal is to attract foreign firms and link them to the development and application of new technologies at the state universities.

A general shift in relative economic power away from the United States and Western Europe to the Asian nations of the Pacific has altered political relationships and created a new interrelationship. Historically, companies from the United Kingdom and Canada have dominated foreign investment in the United States. However, as the Pacific Rim nations, including Korea, Japan, Taiwan, Singapore and Hong Kong continue to expand proportionally, Canada and the Western European nations will play a lesser role. With political changes in the Pacific Rim, many businesses are seeking new areas in which to locate current export operations. As the foreign-based industries grow to levels of domestic maturation, they are expanding and becoming multinational in character.

The Nevada Experience

Nevada experienced an economic downturn and reduction in workforce as a result of the recession of 1980-83. The rate of unemployment climbed above the national average as the gaming, mining, manufacturing and construction industries decreased activity. State revenues, which are very dependent on the economy-sensitive sales tax, were projected by the 1981 legislature for 1982-83 at $417 million, but actual revenue was $365 million (a 12.4 percent decrease). The recession may have been intensified for Nevada by the expanding gaming operations throughout the United States. Nevada has, for more than 50 years, grown and prospered with a tourism-based economy. That growth has been so rapid and the prosperity so stable for most of that period that there had been little popular interest in diversifying Nevada's economy.

Ideally, diversification will decrease the dependence on tourism and lead to the development of industries that will respond in the opposite direction over the business cycle. This diversification is one of the mandates of the Nevada Commission on Economic Development. Nevada has a long tradition of work in the field of economic development. Beginning in 1955, the Legislature allocated funding for a Department of Economic Development in an effort to foster the state's business expansion. But, great changes have occurred in the makeup of Nevada as its population has rapidly grown.

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Its population is now more than one million people, twice that of 1970.

This larger population has meant increased demand for job opportunities, apart from those available in tourism. Nevada's leaders reevaluated the State's narrow economic base and in 1983 lawmakers threw bipartisan support behind the effort to create a new and expanded state agency that would revitalize the state's economy by drawing upon the expertise of experienced business executives. Accordingly, in order to adequately respond to and direct rapid growth, the Nevada Legislature in 1983 determined that revision and modification of the state economic development and diversification efforts were necessary. At the request of Governor Richard Bryan, the Nevada Legislature in the 1983 session passed AB 391. This bill dramatically restructured the state's economic development agency, creating the Commission on Economic Development with economic development and motion picture and television divisions.

The International Program

In December 1984, Ambassador Okawara of Japan visited Nevada. He was impressed by what he saw and told Gov. Bryan about the great potential he felt Nevada had to attract investment. In 1985, Governor Bryan became involved with the National Governors Association's international program and directed the executive director of the Commission on Economic Development to develop an international program. The program began with one half professional and approximately 10 percent of the agency advertising budget. From the beginning, the State International Program integrated the local development authorities, especially the urban development authorities, and the private sector.

The program was to emphasize the attraction of job-creating foreign investment to help develop and diversify the state's economy. The state was interested in both aspects of international economic activities -- promotion of the sales of goods, services and commodities abroad, and the attraction of job-creating investment. However, since Nevada is a small state with limited resources, it had to be selective in its international activities. Its efforts had to be concentrated where the return on effort was best.

The Commission determined that due to limited staff and budget, a modest program had to target one geographic area. Nevada is a Pacific Rim state, attached economically to California, with its economic future in the Pacific. Asia was selected as the focus for Nevada's international program. Specifically, Japan was targeted as the most likely candidate for inward job-creating investment.

The Japanese have several reasons to increase investment in the United States, including fears of protectionism, the dollar's 43 percent decline against the yen since the beginning of 1985, imbalance with the United States in the trade area, and growing political pressure to do so in Japan. Also, United States Japanese firms like Toyota and Canon are emphasizing ways to avoid import restrictions, mainly by setting up manufacturing plants in the United States. The past five years have seen a doubling of Japanese investment in the United States each year. According to a survey prepared by the U.S. Department of Commerce in 1983, Japanese companies were involved in 105 transactions, representing only 14 percent of 1983's total, compared to the United Kingdom's 159 transactions and 21.2 percent. However, in 1986, Japan accounted for more than 33 percent of total foreign direct investment with the United Kingdom, at 16.9 percent. There were 170 transactions with identified values totalling $9.3 billion, 26 percent of the total aggregated value. Japanese companies now directly employ an estimated 250,000 in the United States, and Japan's Ministry of International Trade and Industry predicts that Japanese investment will create another 840,000 United States' jobs over the next decade.

Various states, in addition to Nevada, have seen the importance of Japan and are attempting to attract Japanese capital investment and business to their areas. At least 35 states, four port authorities and two territories (Guam and Puerto Rico) have liaison offices in Japan. Approximately 3,100 Japanese plants and offices are now operating in the U.S. Some are joint-ventures with American firms (G.M. - Toyota); others are wholly Japanese firms, hiring both American and Japanese employees.

In 1986, California and New York attracted the most investment, followed by Texas, Illinois, Florida and New Jersey. California is the largest U.S. market. If it were a nation, it would have the seventh largest GNP in the world. Therefore, Nevada's location is especially important. The fact that the California market is on Nevada's doorstep works in two ways. Non-California companies which want to serve the California market can do so at far less cost from Nevada. Second, a California company that wants to escape high taxes, high wages and hassles of various kinds, but still wants to be near markets and suppliers, also looks to Nevada. The Japanese know California best and there are large Japanese communities there. Nevada can capitalize by giving Japan good proximity to California with much more attractive economics.

As a foundation for the State Plan for Economic Diversification and Development, the University of Nevada System, in cooperation with state agencies, completed a comprehensive study and prepared a data base for the Commission on Economic Development in 1984. It was concluded that the State enjoys several strengths which, with renewed emphasis and cooperation, can lead the state's citizens into the mainstream of the next decade's global economy. Nevada can promote itself and capture a substantial number of business opportunities with its transportation, tax structure, foreign trade zones, right-to-work law, quality of life and other relocation advantages. These opportunities in turn will create additional markets to be serviced by Nevada business.

Transportation linkages are an important advantage for Nevada. As a tourist state, it has excellent roads and world class airports with extremely good service. It also has good rail across the state north and south. Also, because of tourism, Nevada imports all sorts of products by truck. That creates a surplus of cheap outbound trucking in all directions. Virtually every city in the contiguous West can be served by truck from Nevada overnight. The two urban areas in Nevada

are situated on two primary transportation routes used to service 40-50 percent of American markets. Additionally, each of these urban centers has a foreign trade zone, further enhancing Nevada as a viable foreign trade base.

Nevada's right to work law is an important attraction. Put another way, the absence of a right to work law is deemed a problem by many companies. The Japanese, in particular, have a great apprehension about American union labor. The right to work law relieves some of that apprehension. Most of Nevada's union members are in either the culinary or building trades. Only 6.84 percent of Nevada manufacturing jobs are unionized, compared to 20 percent nationwide. Clearly, Nevada has a very favorable tax climate for business and for individuals. A 1981 study of the total state and local tax burden on a hypothetical manufacturing firm, which included all 50 states and the District of Columbia, ranked Nevada 51st![1] A similar study in 1987 of tax burdens on individuals, which showed the per capita state and local tax burden at five income levels from $20,000 to $100,000, ranked Nevada 48th or 49th.

Quality of life is a bit imprecise but no less real as a strength. It means clean air and water. It means a diversity of recreational opportunities from rugged outdoor activities to the most exciting night life in the world. It means snow skiing and water skiing and fishing and hunting.

Quality of life also means a pace of life and a scale of things that preserves the personal touch and makes the newcomer seem welcome. Since only Alaska has more citizens born outside the state, Nevada is very accepting of newcomers.

Quality of life is also climate. Nevada's dry climate and moderate temperatures are conducive to outdoor activities and to many types of industrial activities. GTE Sylvania put its lithium battery plant in Henderson because it had to have very low humidity.

In 1986, about 20 Nevada leaders visited Japan, Korea and Hong Kong to tell businessmen in those countries about opportunities available in the Silver State. This was the first Nevada Trade Mission to Asia and was led by Governor Bryan and Lieutenant Governor Robert A. Cashell. An agreement was signed with a Tokyo firm to represent Nevada on an interim basis and to maintain business contacts established during the trade mission. A smaller trade mission of economic development professionals returned to Japan and Korea in October 1986 and to those countries plus Taiwan in June 1987 to present in-depth seminars and to build on the accomplishments of the initial visit. The Commission decided to ask the 1987 Nevada Legislature to formally open a permanent Tokyo office for Nevada, with its emphasis to be on recruiting firms for business in Nevada. The Commission entered a contract in August 1987 with EPISTAT, a United State's-based company with a Tokyo office and staff.

The Commission on Economic Development has in the past two years also participated in or hosted two Japanese press missions, a statewide Japanese industrial mission, several investment missions to Las Vegas, a Korean ambassador in Reno, two Japanese banking investment missions, a Chinese legislative mission, a Chinese television and broadcasting mission, import buyers, several groups or exchange students and more than a dozen on-site Japanese client visits. The Commission also arranged for agreements between the Mitsui Bank of Japan and Nevada and between the Korea-U.S. Economic Council and Nevada.

Since the international program began, the Commission on Economic Development has organized and executed two governors' missions and four seminar missions. The program will continue to include one governor's mission every 18-24 months and two seminar and client visit missions each year. Each trip has confirmed the great potential of attracting new job-creating foreign investment to Nevada and the potential of insuring the growth of the export base in Nevada. Just one year after the initial mission to Asia, Nevada welcomed three Japanese companies to Reno. Two are manufacturers and employ Nevada workers at above average manufacturing wages. The third is a small Japanese trading company. In addition, a Japanese manufacturing firm has now located in Las Vegas.

The total number of Japanese companies in Nevada comes to 18, all having been established within the past five years. However, the economic development community continues to work with companies from all parts of the world. Porsche Cars North America, Inc. established their North American headquarters in Reno in 1984 and opened a $3.9 million parts and distribution center at the Aircenter Business Park. The North American headquarters for Salomon North America, Inc. opened in Sparks, bringing 100 jobs to the area. Companies such as Salomon, Porsche, Boeringer-Ingleheim and Ormat represent France, Germany and Israel.

The Commission on Economic Development gets foreign company leads from a variety of sources. Some companies contact the state by phone or mail. Others contact the state through business contacts already developed in Nevada. Most active Japanese clients come through the Japan Representative Office. The Tokyo office staff solicits companies known to have potential for overseas expansion. These companies are contacted on a regular basis by the Japan Representative Office staff. They are also invited to seminars, receptions and meetings held during missions to Asia. Many are visited for one-on-one meetings.

Once a client adds Nevada to its prospective sites list, a tour of the state is arranged. The Commission's Carson City office and the Japan Representative Office work to arrange an itinerary. Ideally, a company will visit both metropolitan areas of the state unless a geographic preference has already been indicated.

When clients arrive in Nevada, they first meet with members of the Commission on Economic Development staff. Then they are introduced to the appropriate Development Authority, whose staff conducts the local tour. Further discussions are held with appropriate industry, state and university representatives, and with the governor and members of the Commission. Asian company representatives are often comforted to feel that the state government is interested and responsive and would welcome their business.

Follow-up is conducted by the Commission on Economic Development, the Japan Representative Office and the De-

velopment Authority. Once a company has decided on a location, the state staff turns the client completely over to the local Development Authority. Generally, this does not mean that communication with that company stops. The company's representatives usually continue to discuss progress with the state office. The Commission staff assists as requested, especially on state issues, such as tax deferral or job training, or national issues, such as visas. The Japan Representative Office also remains involved, working with the company's Japanese staff.

All relocation discussions take time. Asians, and particularly the Japanese, tend to ponder decisions about locations. Businesses in these cultures want to know the individuals and feel that they can trust them before rushing into any business venture. Much cultivation is necessary.

The commission on Economic Development also has continued its assistance to promote Nevada exports. However, due to the small export base and limited Commission on Economic Development staff, only about 10 percent of the international program resources have been devoted to this initiative. In this area, the Commission has cooperated with local district export councils and with the Nevada World Trade Council (NEWTRAC), established in January 1988. In 1987, the Commission on Economic Development participated in two trade shows in Asia, including the U.S. product show in Korea where the attendance was more than 8,000. Fourteen Nevada companies participated in the first trade show and 32 participated in the second show. In both cases district export council members took their own time to travel to these shows and represent the Nevada companies.

The greatest success of the export promotion initiative resulted from a 1-1/2 day Japanese beef purchasing mission in February 1988. Just one month after the tour and seminar was arranged by the Commission on Economic Development staff, working cooperatively with the State Department of Agriculture representatives, 250 Nevada cattle were sold to one of Japan's largest agricultural cooperatives. This sale opened the door to a new area of the Commission on Economic Development's international program.

Nevada's image continues to be the biggest weakness in attracting new businesses. While this has improved tremendously in the past decade or so, others still look at Nevada's 24-hour gaming, legal prostitution, quickie divorce, high crime rates and the like, and assume Nevada is not a state interested in business. Even for those who attach no negative connotation to Nevada, its image as a tourism-dominated state leads some to the conclusion that it is not interested in anything else. The biggest image problems for Asians are: 1) Nevada is all desert; 2) Nevada has no industry except gaming; 3) Nevada has a lot of crime; and 4) Nevada is a nuclear test and nuclear waste area.

The first image is important to dispel because quality of life for workers is very important to Asian companies. These companies want to feel welcome and want their transferees to be content. They also want to be assured that American workers will be happy working in an area. Japanese are very sensitive about crime since they come from a nation with a very low crime rate. Once they understand that the main gaming areas are separate from the general business and living areas, companies seem more relaxed. The Japanese are particularly sensitive about the nuclear test site and apprehensive about the possible high level nuclear waste dump.

Nevada is a resource-poor state in some respects, especially for water. In fact, this contributes to the image problem, with many thinking that Nevada is a barren wasteland. Japanese, for instance, have an image of Nevada like the Sahara Desert. It is simply a dry state and must be very careful with water. That is the message conveyed to Japanese prospects.

Nevada's commitment to education, K-12 and higher education, while improving, is still comparatively poor. The state spends less, based on its per capita income, on education than any western state. This perhaps reflects the history of dominance by an industry that has had limited need for college graduates. As Nevada attempts to attract quality businesses, the financial commitment to education will have to continue to grow. Because Nevada is a small state whose small labor force does not have a broad range of skills, labor availability is a problem, both in numbers and in skills. Although Nevada has repeatedly demonstrated that its labor market includes California, clients must be convinced of this.

It may take longer to attract foreign companies because of language barriers and cultural differences. However, the international program, like any economic development program, is judged by the jobs created versus the dollars spent. Thus far, based on these criteria, success in the international area seems likely to be even greater than in the domestic area.

Nevada's program will continually be reevaluated to determine if it serves the overall economic development goals and objectives. The International Program Advisory Committee, appointed by the Commission, also closely reviews international program objectives and any new proposals. Serving on that committee are eight Nevadans with a broad range of foreign experience, especially in doing business in Asia.

In conclusion, the creation and development of Nevada's international program represents a conservative, incremental process. The opportunities were carefully studied, resources analyzed and a program designed. Success of the program has required the careful nurturing of consensus. That consensus has grown even stronger with the tangible successes the program has enjoyed. To progress, the program must grow. It must have more staff resources, and it must have an increased budget for Tokyo representation because of currency changes and demands on that office. The success in job-creation to expenditure ratio, even with an increased budget, should still compare very favorably with the domestic success ratio. Most important, however, is the recognition that has emerged in Nevada that an economic development program is incomplete and will never enjoy full success without a strong international dimension.

Note

[1]Kieschmick, Michael. *Wyoming Progress Report*, 1981. Wyoming Department of Economic Planning and Development, in *Taxes and Growth: Business Incentives and Economic Development*. Council of State Planning Agencies, Washington, D.C.

The Nevada Woman CPA: A Profile

*by Franklin J. Plewa, Ronald D. Balsley and Ronald P. LeBlanc**

Introduction

Women are a continually increasing segment of the U.S. workforce, with more than 60 percent of single women and approximately 50 percent of married women employed (Rix, 1987). Women also comprise an increasing percentage of college students, currently more than 50 percent of incoming freshmen (Rix, 1987, p. 120). This phenomenon is reflected in the field of accounting. The ranks of recently certified public accountants contain increasing numbers of women, and the nation's accounting programs are rapidly becoming predominantly female.

The accounting profession is an interesting case from the woman's perspective. The profession has been traditionally dominated by men, but the number of women entering the profession has significantly increased their percentage of the accounting workforce. For example, in 1984, 46 percent of those earning accounting degrees and 40 percent of those entering public accounting were women. This represents a quadrupling of the rate of entry over the past decade and makes accounting among the fastest changing of the professions in this respect (Finan, 1985, p. 36). The profession changed from 34 percent to 45 percent women between 1979 and 1986 (*Idaho State Journal*, 1987). While women approach majority status in the accounting workplace, in 1986 only 2 percent of all partners in accounting firms were women, and only 1 percent in Big 8 firms (Finan, 1985, p. 36).

Compensation levels are different for men than for women in almost all employment areas. The Census Bureau reports that in 1984 women earned 70 percent of men's wages on average, up from 62 percent in 1979. Age was a factor, with women in the 21-29 age group averaging 83 percent of men's pay, while those in the 30-44 group earned 72 percent of men's wages, and the 45-64 group earned only 60 percent (Idaho State Journal, 1987). In the accounting profession, a Canadian study surveyed Canadian general accountants and found that women were paid less than their male counterparts even when years of experience, job position, and type of organization were considered (Nelson, Andiappan and Schwartz, 1985, p. 30).

Wage differences are, of course, attributed to a number of causes, including whether or not a person has been out of work for appreciable lengths of time, lack of job experience, and the propensity of women to cluster in certain occupations. The employee turnover rate in CPA firms is greater for women than for men (American Institute of Certified Public Accountants, 1984, p. 17). Both men and women expect women to have significant problems with working overtime and overnight travel (Nelson, Andiappan and Schwartz, 1985, p. 33), which would be expected to affect promotion and earnings in a profession addicted to both.

In a study by the Mission and Future Issues Task Force of the Ohio Society of Certified Public Accountants, men and women disagreed on the causes for women's apparent lack of progress (Ohio Society of CPAs, 1984). In answer to the question, "To what extent do you agree with the statement: 'Women are not making sufficient progress within the CPA profession'?" only 13.5 percent of male respondents agreed while 52.1 percent of women respondents agreed. Most men perceive that since the turnover rate for women is higher, women are not staying in jobs long enough to be promoted. They also perceive that women lack "career" as opposed to "job" motivation. Men tend to see the issue as a function of the individual woman involved rather than a problem of the profession (Stillabower, 1985, p. 22). The study of Ohio CPAs also indicated that 75.6 percent of the men and 54.7 percent of the women agreed that there were ample opportunities for women in the accounting profession. While this indicates that both feel that entry opportunities are available, women are less convinced than men (Ohio Society of CPAs, 1984, p. 23). Many people feel there is "no problem," and that women are being promoted in percentages reflecting their entry numbers. Others believe this "no problem" attitude is the central problem in women's advancement (Finan, 1985, p. 37).

In any case, the issue is clearly of importance to the accounting profession. In 1984, the American Institute of Certified Public Accountants (AICPA) identified the upward mobility of women and entry opportunities for women as parts of the fourteen major issues of concern for the next five to twenty years (AICPA, 1984, p. 1). Recent national surveys have indicated a trend towards more self-employment, more jobs for women CPAs outside public accounting, and higher levels of compensation (American Woman's Society of Certified Public Accountants, 1985).

The American Woman's Society of Certified Public Accountants (AWSCPA) last surveyed their membership in 1985 as to their educational levels, management responsibilities, compensation, job mobility, etc. Limited salary data on men and women accountants is available yearly from Robert Half International, Inc. and Source Finance Personal Serv-

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ices. Some of this salary information was reprinted in the March 1987 issue of the *New Accountant* for accountants with 0 to 3 years experience. However, very little data is available specifically concerning the status of women CPAs in Nevada and the Intermountain West. Female students in accounting, recent entrants into the profession, and established women professionals all need an accurate representation of their ranks to evaluate their alternatives and opportunities and to assist in their pursuit of rewarding careers. The purpose of this study is to provide a profile of the Nevada woman CPA. This information is valuable for career planning purposes and for Nevadans in general in understanding the status of women in the workplace.

Methodology

This study was conducted by mail questionnaire to the 185 women CPAs who resided in Nevada and were listed in the *Nevada Annual Register of Certified Public Accountants and Public Accountants of 1987*. A pre-questionnaire announcement was sent by first class mail, followed two weeks later by questionnaires and pre-paid response envelopes. Within three weeks of the mailing, 132, or 71 percent, of those queried responded. This extremely high response rate can only be explained by women's interest in the topic. While the interest level in controversial topics has been shown to bias results, the questions in this survey were generally either demographic in nature or asked about educational issues. Attitudes about women's issues were not surveyed as the researchers felt that base data was needed before any further information could be sought.

Results of the Study

Employment Status

Nevada women CPAs work in a variety of situations and at many levels. Currently, 42.4 percent are not employed in public accounting. A little over half of these women are employed by private businesses while the remainder hold positions in the nonprofit, educational, and governmental areas. Of those employed in public accounting, 25.0 percent work for international or national firms, 7.9 percent for regional and 65.8 percent for local firms.

Slightly more than 90 percent of women in public accounting are in supervisory positions versus 84 percent in non-public accounting. Twenty-six, or 34 percent, of those practicing public accounting are owners, including 14 who are sole proprietors. Additionally, six are shareholders in professional corporations.

The mean number of years of Nevada women CPAs' total experience is 9.6, the median is 9.0 years. For public accounting experience, the mean is 7.1 years and the median is 6.0 years. In their present job, the mean is 3.8 years and the median 3.0 years. Following the national trend of rapid expansion of women in the accounting profession, 75.8 percent of Nevada women CPAs have fewer than 10 years of public accounting experience, and only 21 women have more than 14 years of total accounting experience.

Age and Compensation

The average age of women CPAs in Nevada is 36, with half between 25 and 35. Only four are over 55. Table 1 displays compensation levels, with almost three-fourths of the respondents earning more than $30,000, and almost 37 percent earning more than $40,000. The most recent national study compared compensation levels for 1983 and 1985 (AWSCPA, 1985). This is reproduced as Table 2 with the 1987 Nevada data appended. Interestingly, in 1983, 54.6 percent of the national sample earned less than $30,000 and, in 1985, the percentage had dropped to 42.1 percent (AWSCPA, 1985). Only 27.3 percent of Nevada women CPAs fall into this category.

Table 1
Compensation Levels

Compensation	# of respondents	% of respondents
Under $15,000	5	3.8
$15,000 to $24,999	10	7.6
$25,000 to $29,999	21	15.9
$30,000 to $39,999	47	35.6
$40,000 to $49,999	29	22.0
$50,000 and up	19	14.4
Unreported	1	0.7
Total	132	100.0

Table 2
Comparison of Nevada and National Compensation Levels

	National Percentages		Nevada Percentages
	1983	1985	1987
Under $15,000	6.7	6.0	3.8
$15,000 to $24,999	28.6	18.5	7.6
$25,000 to $29,999	19.3	17.6	15.9
$30,000 to $39,999	25.2	28.5	35.6
$40,000 to $49,999	10.5	13.5	22.0
$50,000 and up	8.6	14.2	14.4
Unreported	1.1	1.7	0.7
Total	100.0	100.0	100.0

Changing Jobs

More than 60 percent of the respondents have changed jobs in the last five years. The 77 who had changed jobs were asked to rate the importance of their reasons by assigning values totaling 100 percent to the reasons listed. Table 3 shows the reasons listed and the number of times, expressed as a percentage, that they were enumerated. The items are presented in ranked order of importance. In the "other" category, respondents included as reasons: layoffs, lack of work, marriage, job diversification, sale of practice, differing business philosophies, and better benefits.

Table 3
Reasons for Changing Positions

	% Indicating Item Was A Reason Factor
Better professional opportunity	64.9
Better salary offer	50.6
Promotion	39.0
Limited chance for promotion	48.1
Long hours/poor working conditions	37.7
Change to a different type of work	44.2
To become self-employed	13.0
Other	10.4
Family responsibilities	28.6
Sexual discrimination	11.7
Spouse's transfer	2.6
Excessive travel	2.6

Education and Preparation

Almost all respondents hold baccalaureate degrees and thirteen women CPAs hold two degrees. Fifteen hold master's degrees, while two hold less than the bachelor's degree and were licensed prior to the state requirement that all CPAs hold at least the bachelor's degree. Of those reporting, 78.8 percent majored in accounting, 9.1 percent in other business areas, and 10.6 percent in non-business areas.

Forty-seven percent of the women reporting passed the CPA exam either on their first or second sitting, while an additional 24 percent passed on third sitting. The eighteen percent that passed on their first sitting compares favorably with the national rate. The median age when the certificate was received was 29.

Nevada women CPAs used multiple methods in preparing for the examination. Eighty percent indicated they used self study while 22 percent took commercial review courses. An additional 22 percent participated in college-sponsored reviews. Most respondents indicated more than one method of preparation.

More than 80 of Nevada's women CPAs received their certificates since 1979. Combined with the age data from the previous section, this indicates that a number of women changed professions to become CPAs. In response to the question "When did you decide you wanted to become a CPA?", 26.5 percent said it represented a career change. The percentage is even higher when considering the number who reported making the decision after earning their baccalaureate degrees.

Professional development is a necessary activity for any profession. Continuing education is an important issue for CPAs, especially in light of the debate concerning mandatory national standards. Assuming that professional seminars/AICPA or state society courses, correspondence courses, in-house training programs, and college coursework qualify for continuing education credit, the median number of hours reported for Nevada women CPAs is 54.3. The state requirement is 80 hours for a two-year period, with a minimum of 24 hours in any one year.

Issues and Perceptions

One open-ended question was asked of the respondents: "Do you have any comments or suggestions which may help develop a more accurate and complete profile of the Nevada woman CPA?" While some of the respondents indicated that they felt their potential was unlimited, most who responded expressed concern about the issues of sexual discrimination in terms of promotion and salary, long hours, and the impact on marriage and family.

Because of the many social structures that clearly define the traditional roles of men and women, sexual discrimination still exists. The predominant male role has been that of breadwinner while the female role was defined in terms of such functions as child care and household management. Even though female involvement in the business world has significantly increased, old habits are hard to break. For example, women say they leave the public accounting profession because of long hours, lack of professional development, and better opportunities elsewhere. Men claim, however, that women leave public accounting for marriage, children, or their husbands' transfers. So it appears that men tend to ignore the reasons given by women for changing positions (Ried, Acken, and Jancura, 1987, p. 353).

Typically, women start with equal salaries but do not receive increases comparable to men. Ried et al. (1987) state that perhaps women are conditioned to sacrifice themselves for their husbands and children. In many cases, a working woman may have to deal with more stress than a man in that after her professional day has ended, she goes home to cope with children, home management, etc. (Ried, Acken, and Jancura, 1987, p. 353).

There are no easy or simple solutions to these problems. Steps in the right direction include scheduling flexibility, parental leaves, and day care. Additionally, because women lack successful female role models, an awareness of management skills in women accountants must be developed. Formal training programs can contribute to this development process but the major factor is the ability of women to function comfortably with men in a business environment. Policies which create greater flexibility in accounting career paths without limiting advancement opportunities ensure that this will happen.

Comparison with the 1985 AWSCPA Profile

The Nevada woman CPA profile is similar to the 1985 AWSCPA profile data in most areas. The profile is nearly identical in the percentages of women employed in public versus non-public accounting, in years of experience, management responsibilities, age, marital status, and education. The reasons given for changing jobs are also similar. Nevada women change positions for better professional opportunities, salary, and promotion, contrary to the popularly held view that family responsibilities and excessive travel account

for large numbers of job changes.

Differences exist in that more Nevada women are employed by small local firms and government than their national counterparts. Nevada women CPAs also have a significantly smaller percentage earning less than $25,000 and a higher percentage at the $40,000 level and above.

The level of participation in continuing education activities by Nevada women CPAs reflects the fact that they are career-conscious professionals. They exceed the state's requirements for continuing education by almost 25 hours a year.

Conclusion

This profile of Nevada women CPA's reveals that they are experiencing the same dynamics in their profession as have been reported at the national level. Most are relatively new to the profession in that almost sixty percent have fewer than ten years of accounting experience and are in their mid-thirties. Like their national counterparts, they are highly mobile, highly compensated, and are making career changes for positive rather than negative reasons. Regarding upward mobility, McCrum and Rubin (1987) analyzed Bureau of Labor Statistics compensation data and reported that management, professional and sales job salaries outdistanced the cost of living of 8 percent between 1983 and 1985. Accountants and auditors reeeived an average raise of 11 percent. Those earning in excess of the average accountant/auditor salary of about $23,000 increased 13-18 percent (industrial and chemical engineers, lawyers, financial managers, and computer systems analysts).

The resultant overall profile is one of a successful, mobile, well-educated and career-conscious professional. The Nevada woman CPA appears willing and able to meet the challenges of a developing and changing professional business environment.

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A Survey of Data Processing Salaries in the Reno/Sparks and Las Vegas Area

*by William A. Newman**

In the fall of 1988, the author performed a survey of data processing salaries in the Reno/Sparks and Las Vegas areas. The survey was sent to 120 small installations and 30 large installations. Responses were received from 27 small installations and nine large installations. The survey also includes salary information for one large installation through work performed by the author for the Attorney General's Office of the Consumer Advocate. The next survey will take place in the fall of 1989.

A Profile of Nevada's Data Processing Installations

Nevada has a large number of small data processing departments and relatively few large installations (those whose expenditures exceed one million dollars annually). The small installations are usually staffed by two to five individuals who share many of the duties required for information generation. Many hotel and casino operations fall into this size category. These small shops are also oriented towards one manufacturer, with the IBM System 34/36/38 and AS/400 being heavily favored. (There are more than 150 of these machines installed in Northern Nevada.)

The larger installations are primarily utilities, governmental institutions and large businesses that have made Nevada their corporate headquarters. These installations have from five to more than fifty individuals in various job functions.

Table 1 provides the survey responses for midpoint salaries in the Reno/Sparks/Las Vegas areas, categorized by large and small installations and by job category (see Exhibits 1 and 2 for job levels and descriptions). Additionally, Table 1 provides 1988 salary information for San Francisco, Los Angeles and Denver, along with the national average of all salaries by category. This information is taken from the October 1988 *Datamation* National Salary Survey.[1] Respondents to this survey indicated they expected 1989 salaries to rise by 6.6 percent; 1987 salaries rose by 6.2 percent.

Survey categories generally relate to functions found in larger data processing installations. Many small installations have no equivalent position. Their personnel either function without such expertise or the function is one of many performed by the same individual. In the latter case, the salary listed reflects the individual's primary job title/classification.

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Exhibit 1
Job Levels

Manager - Advanced degree and minimum five years' experience or equivalent combinations; strong management skills, performs personnel evaluations, budgeting, progress reporting, and project management.

Lead - Bachelor's degree or equivalent and minimum four years' experience with two years in supervisory capacity; performs supervision as a project manager.

Senior - Bachelor's degree or equivalent and minimum three years' experience, including some supervisory functions.

Intermediate - Bachelor's degree or equivalent and minimum two years' experience; requires direction on some activities.

Junior - two to four years of college and six months' experience; directly supervised.

Exhibit 2
Detailed Job Descriptions*

Corporate Staff - Reports to senior management within the firm.
Applications Staff - Develops, designs and prepares computer programs.

Systems Analysis/Programming - Systems analysis and programming.

Operations Systems Programming - Programs and maintains system software.

Database Administration - Plans, organizes and schedules the activities of the database section, establishes standards, maintains dictionary.

Datacom/Telecom - Develops and designs data communications networks and the installation and operation of data lines.

Computer Operations - In charge of equipment, data entry, production control and post processing, but not systems analysis, or other development functions.

Production and I/O Control - Sets up and schedules jobs for processing so as to maximize utilization and meet turnaround requirements.

Data Entry - Performs data entry and verification functions.
Office Automation - Operation of word processsing equipment, intelligent typewriters and terminals for text editing/word processing.

* Descriptions from *Datamation* salary survey, Oct. 1, 1988[2]

Table 1
Midpoint Salaries for Selected Information Systems Professionals

Title	Reno/Sparks/Las Vegas Area Installations Large	Reno/Sparks/Las Vegas Area Installations Small	National Average	San Francisco	Los Angeles	Denver
Corporate Staff						
Vice President	$73,376	$32,000	$67,643	$85,000	$72,200	$57,500
Director of DP/MIS	59,922	52,634	54,189	60,000	64,696	46,080
Technical Services Manager	59,776	N/A	56,859	N/A	50,859	55,000
Info Ctr/Data Ctr Manager	47,845	N/A	42,203	57,667	43,125	48,000
Director of Security	43,670	N/A	40,876	N/A	80,000	30,200
Systems Analysis						
Manager	50,248	43,761	45,561	N/A	46,520	62,400
Senior Systems Analyst	45,480	42,000	41,518	N/A	45,883	42,000
Lead Systems Analyst	41,340	N/A	37,067	N/A	31,000	46,500
Systems Analyst	34,164	N/A	33,446	N/A	41,230	35,000
Junior Systems Analyst	24,240	N/A	27,599	N/A	N/A	30,000
Applications Programming						
Manager	53,398	38,000	45,581	61,000	44,000	58,200
Lead Appl. Programmer	45,865	N/A	38,269	35,000	30,000	54,100
Senior Appl. Programmer	41,483	30,000	36,397	46,833	40,500	41,800
Application Programmer	31,882	24,500	28,493	33,000	31,740	31,300
Intermed. Appl. Programmer	24,214	N/A	26,127	24,000	30,500	24,400
Junior Appl. Programmer	22,083	25,000	22,947	28,000	23,500	26,400
Systems Analysis/Programming						
Manager	45,349	N/A	51,316	50,667	64,667	39,050
Lead Sys. Analyst/Prog.	45,480	40,247	42,430	40,333	44,885	37,925
Senior Sys. Analyst/Prog.	38,113	35,825	38,974	48,000	43,826	31,700
Systems Analyst/Prog	31,291	33,785	30,926	32,750	36,208	30,750
Intermed. Sys. Analyst/Prog	25,314	28,579	28,079	N/A	32,975	31,450
Junior Sys. Analyst/Prog.	22,120	26,843	23,620	26,500	23,038	21,533
Operating Systems Programming						
Manager	53,398	N/A	57,351	30,000	66,150	N/A
Senior Systems Prog.rammer	45,796	N/A	57,846	N/A	50,524	38,000
Intermed. Sys. Program	37,540	N/A	47,940	42,000	43,133	27,000
Junior Sys. Programmer	24,630	22,200	47,462	N/A	26,000	N/A
Database Administration						
Manager	54,996	N/A	41,649	N/A	N/A	33,625
Database Administrator	45,480	22,500	36,579	N/A	41,667	33,133
Datacom/Telecom						
Manager	45,809	N/A	46,005	N/A	37,500	42,250
Analyst	30,303	24,014	33,998	N/A	36,467	33,250
Computer Operations						
Manager	40,127	30,586	37,072	38,167	42,370	34,154
Shift Supervisor	34,228	20,739	30,827	33,500	41,529	22,500
Lead Computer Operator	24,710	24,384	24,464	23,167	29,278	21,000
Computer Operator	20,004	17,226	21,346	21,760	25,215	18,020
Magnetic Media Librarian	18,576	N/A	20,887	24,000	21,725	18,000
Production and Control						
Supervisor	37,512	25,000	29,016	N/A	24,513	N/A
Lead Production Controller	29,352	N/A	26,433	N/A	36,000	N/A
Scheduler	24,240	N/A	24,493	N/A	15,500	N/A
Control Clerk	17,384	21,767	21,127	N/A	18,025	N/A
Data Entry						
Supervisor	32,651	N/A	22,898	30,000	24,810	20,000
Operator	18,481	16,721	16,838	19,800	21,884	16,333
Office Automation						
Word Processing Supervisor	22,056	N/A	23,822	28,000	N/A	25,000
Word Processing Operator	20,776	25,000	17,930	N/A	N/A	29,000
Microcomputer User Service Specialist	21,608	24,500	25,054	N/A	35,000	20,000
Documentation						
Specialist	28,778	N/A	24,828	N/A	N/A	N/A
Consultant	24,240	N/A	48,810	40,000	61,333	56,000
PC Evaluator	27,120	N/A	32,127	N/A	31,250	N/A

Table 2
1987 Nevada Hourly Wages
for Selected Categories Statewide

1987 Private Sector (Non-Services Industries)		
Computer Operator	Avg. Hourly Range	$7.27-$10.80
	No. of Employees	175
	No. of Firms	69
Computer Programmer	Avg. Hourly Range	$11.77-$17.25
	No. of Employees	149
	No. of Firms	43
Typist, Word Processing	Avg. Hourly Range	$6.35-$9.28
	No. of Employees	73
	No. of Firms	22
1987 Private Sector (Service Industries)		
Computer Operator	Avg. Hourly Range	$6.64-$9.12
	No. of Employees	152
	No. of Firms	58
Computer Programmer	Avg. Hourly Range	$10.15-$16.15
	No. of Employees	126
	No. of Firms	35
Typist, Word Processing	Avg. Hourly Range	$5.94-$9.27
	No. of Employees	105
	No. of Firms	20
1987 Public Sector		
Computer Operator	Avg. Hourly Range	$8.17-$11.33
	No. of Employees	58
	No. of Firms	19
Computer Programmer	Avg. Hourly Range	$11.25-$15.44
	No. of Employees	51
	No. of Firms	18
Typist, Word Processing	Avg. Range	$7.16-$9.51
	No. of Employees	186
	No. of Firms	12

Source: Annual Wage and Salary Survey, Nevada Employment Security Department, 1987

Table 2 shows Nevada 1987 hourly wages for word processors, computer operators and computer programmers in various industry sectors, as compiled by the Nevada Employment Security Department. Interestingly, the 1988 *Datamation* survey found that national salaries for office automation workers, like word processors, actually fell from 1987 to 1988.

Table 4
Turnover Rates in Selected Areas

Area	Actual 1986	Expected 1987
Boston	7.3	10.5
Manhattan	2.8	2.3
New York City Metro	15.6	10.7
Philadelphia	11.4	14.9
Washington/Baltimore	6.2	8.2
Atlanta	14.3	6.0
Denver	4.0	5.1
Houston	8.3	5.8
Dallas/Ft. Worth	0.4	7.5
Chicago	8.0	6.0
Minneapolis/St. Paul	7.1	4.2
Cleveland	14.7	2.9
Cincinnati/Columbus	5.6	7.8
Detroit	3.6	4.9
St. Louis	3.2	6.5
Seattle	1.3	2.5
San Francisco	9.3	5.0
Los Angeles	11.1	13.9
Total Sample	8.8	9.1

Source: *Datamation* **Salary Survey, Oct. 1, 1988**

The only other positions reporting falling salaries were microcomputer user services specialists and computer security directors. Nationally, computer operator and shift supervisor salaries rose by about 20 precent.

Table 3 (see page 13) gives the results of surveys conducted by the Robert Half personnel agency on the salary growth of the major functional areas of data processing departments from 1965-1987.[3]

Table 4 (above) shows turnover rates in data processing installations for 1986 and 1987 in major metropolitan areas of the United States.[4]

Finally, additional information from the Nevada study showed nearly all companies providing medical and dental benefits while about half of the companies provided optical care and a retirement plan. Approximately one-quarter of the companies paid college tuition, professional dues and conference attendance.

Notes

[1]"What Are You Worth in '88?" *Datamation*, Oct. 1, 1988, pp. 58-59.
[2]Ibid, p. 54.
[3]*Annual Salary Survey*, Robert Half Company, 1987.
[4]Turnover rate is defined as the number of people who quit a position/leave an organization voluntarily within a given year.

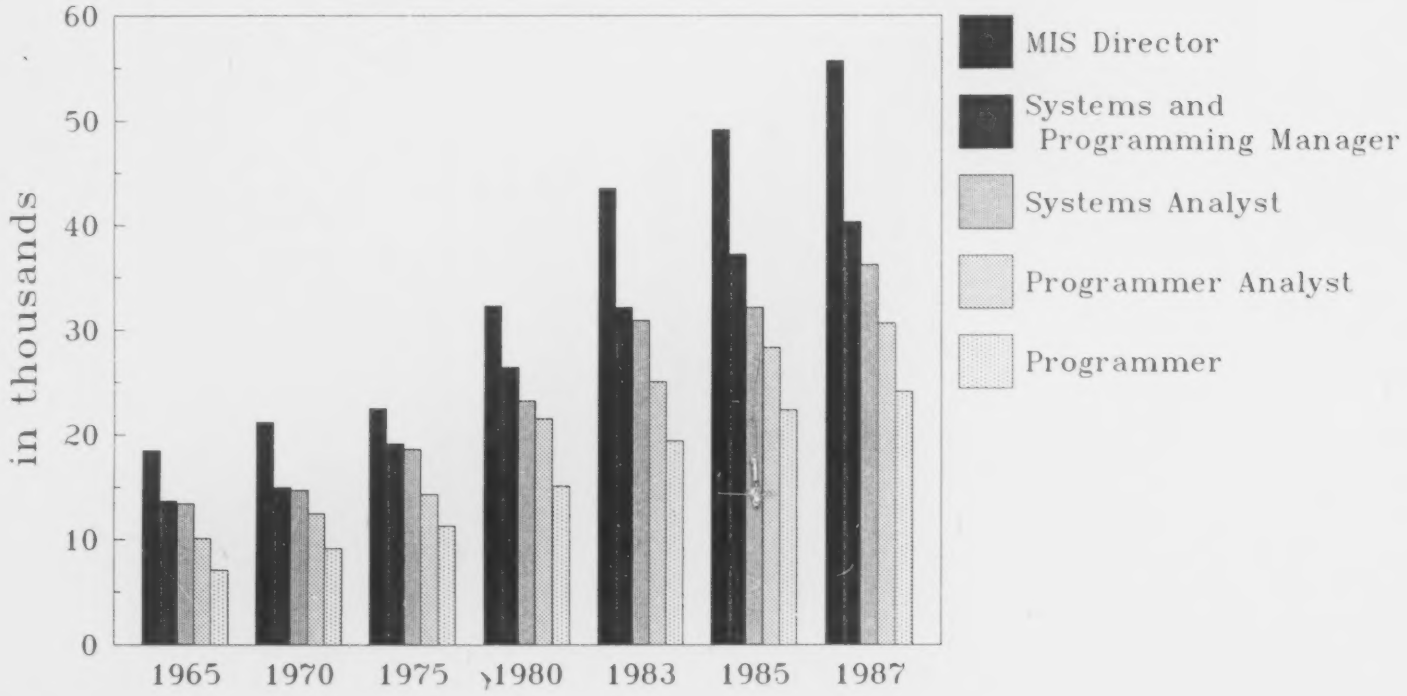
References

"What Are You Worth in '88?" (Annual Salary Survey) *Datamation*, Oct. 1, 1988.
Robert Half Company, *Annual Salary Survey*, 1987.

Table 3

COMPARATIVE DATA PROCESSING SALARIES

All Installations Averaged 1965–1987



Nevada Economic Indicators

Statewide Statistical Data

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		PERCENTAGE CHANGE 1st Quarter-1987 1st Quarter-1988	
Total Labor Force (000's)	565.2	566.8	657.8	596.6	+	4.7	+	10.4
Total Employment (000's)	524.6	529.5	537.8	530.6	-	1.6	+	5.7
Unemployment (000's)	40.6	37.3	35.2	37.7	+	7.2	-	1.7
Unemployment Rate	7.2	6.6	6.2	6.7	+	7.5	-	6.1
Seasonally Adjusted Rate	6.4	5.9	5.8	6.0	-	3.7	-	7.2
Agricultural Employment (000's)	4.2	5.6	5.6	5.1	-	1.3	+	6.9
Establishment-Based Industrial Employment								
Total All Industries (000's)	507.3	511.0	515.4	511.2	+	0.0	+	6.9
Mining	9.0	9.0	9.5	9.2	+	21.7	+	34.1
Contract Construction	28.9	29.3	30.1	29.4	-	9.2	+	8.5
Manufacturing	23.9	24.0	23.7	23.9	-	0.4	+	7.2
Transportation & Utilities								
Transportation	16.1	16.0	16.0	16.0	-	3.2	+	2.6
Railroads	0.9	0.9	0.9	0.9	-	30.8	-	25.0
Air	4.2	4.2	4.0	4.1	+	0.8	+	1.6
Public Utilities	11.7	11.7	12.0	11.8	+	2.9	+	4.7
Total Trade	103.1	103.2	103.7	103.3	-	0.6	+	7.1
Wholesale Trade	19.0	19.3	19.4	19.2	+	7.1	+	9.3
Retail Trade	84.1	83.9	84.3	84.1	-	2.2	+	6.6
Finance, Ins., & Real Estate	23.7	23.8	24.2	23.9	-	2.6	+	5.8
Service Industries	225.8	227.0	228.7	227.2	+	1.4	+	7.0
Hotels, Gaming & Recreation	138.6	140.1	241.0	173.2	+	22.2	+	32.2
Medical and Health	21.6	21.8	21.9	21.8	+	2.0	+	4.0
Total Government	65.1	67.0	67.5	66.5	+	0.3	+	4.8
Federal	11.2	11.2	11.3	11.2	-	1.7	+	3.4
State and Local	53.9	55.8	56.2	55.3	+	0.3	+	5.1
Education	24.4	25.9	26.4	25.6	-	0.9	+	5.8
Average Weekly Earnings in Selected Industries								
Mining	636.50	603.80	626.30	622.20	-	2.1	+	4.6
Construction	582.00	571.40	554.20	569.20	-	2.5	-	3.1
Manufacturing	388.10	384.20	395.80	389.40	-	1.8	-	0.2
Public Utilities	588.70	567.20	575.40	577.10	+	0.3	+	1.3
Trade	305.90	296.40	302.80	301.70	+	0.8	+	2.0
Average Weekly Hours in Selected Industries								
Mining	43.5	42.7	43.4	43.2	+	0.2	+	2.5
Construction	36.4	34.8	34.7	35.3	-	2.3	-	1.1
Manufacturing	39.6	39.9	39.9	39.8	-	1.6	-	1.6
Public Utilities	40.8	40.4	40.1	40.4	+	1.0	-	2.4
Trade	34.1	33.6	34.1	33.9	+	0.0	+	0.6
Average Hourly Earnings in Selected Industries								
Mining	14.60	14.10	14.40	14.40	-	2.4	+	2.0
Construction	16.00	16.40	16.00	16.10	-	0.2	-	2.0
Manufacturing	9.80	9.60	9.90	9.80	-	0.1	+	1.5
Public Utilities	14.40	14.00	14.30	14.30	-	0.6	+	3.6
Trade	9.00	8.80	8.90	8.90	+	0.8	+	1.4
Construction Activity								
Residential ($000's)	76,200	72,100	104,300	252,600	-	9.7	+	0.6
Nonresidential ($000's)	22,500	34,100	62,300	118,900	-	37.1	-	10.2
Nonbuilding ($000's)	24,500	6,600	23,800	54,900	+	6.4	+	51.7
Total ($000's)	123,200	112,700	190,500	426,400	-	18.1	+	1.6
# of New Dwelling Units	1,553	1,199	1,397	4,149	+	20.4	-	4.3
Tax Collections								
Liquor	1,235,359	1,106,240	957,961	3,299,560	-	12.2	+	6.0
Cigarette	2,508,735	1,960,967	2,102,713	6,572,415	-	6.8	+	35.1
Fuel	5,270,064	5,148,797	5,705,111	16,123,972	-	1.5	+	45.9
Quarterly Taxable Sales ($000's)				2,601,572	-	5.9	+	25.6
Quarterly Gaming Revenues ($000's)				1,035,322	+	9.0	+	8.2
Highway Traffic Flow								
17 Selected Stations (Avg. Daily)	120,210	134,062	147,193	133,821	-	3.2	+	22.2

Las Vegas Metropolitan Statistical Area

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		1st Quarter-1987 1st Quarter-1988	
Total Labor Force (000's)	329.6	331.0	331.9	330.8	-	0.7	+	5.0
Total Employment (000's)	307.1	309.4	310.7	309.1	-	0.8	+	5.3
Unemployment (000's)	22.5	21.6	21.2	21.8	+	2.0	+	0.3
Unemployment Rate	6.8	6.5	6.4	6.6	+	2.1	-	4.8
Seasonally Adjusted Rate	6.5	6.3	6.3	6.4	+	0.0	-	4.5
Agricultural Employment (000's)	1.0	1.4	1.4	1.3	+	0.0	+	5.6
Establishment-Based Industrial Employment								
Total All Industries (000's)	295.0	292.9	295.0	294.3	+	0.3	+	7.1
Mining	0.3	0.3	0.3	0.3	+	0.0	+	0.0
Contract Construction	18.8	18.5	18.8	18.7	-	3.4	+	8.3
Manufacturing	8.8	8.9	8.8	8.8	+	0.0	+	6.9
Transportation & Utilities								
Transportation	9.4	9.4	9.4	9.4	-	4.7	+	1.8
Railroads	0.3	0.3	0.3	0.3	-	25.0	-	25.0
Air	2.8	3.0	2.8	2.9	-	5.5	-	3.4
Public Utilities	6.4	6.2	6.4	6.3	+	2.7	+	7.3
Total Trade	61.7	61.5	61.7	61.6	+	2.0	+	7.1
Wholesale Trade	10.3	10.4	10.3	10.3	+	4.4	+	7.3
Retail Trade	51.4	51.1	51.4	51.3	+	1.6	+	7.1
Finance, Ins., & Real Estate	15.0	14.7	15.0	14.9	+	0.7	+	9.8
Service Industries	139.9	139.2	139.9	139.7	-	0.1	+	7.1
Hotels, Gaming and Recreation	91.0	90.8	91.0	90.9	-	1.7	+	6.4
Total Government	34.7	34.2	34.7	34.5	+	2.3	+	7.0
Federal	6.5	6.4	6.5	6.5	+	0.0	+	7.8
State and Local	28.2	27.8	28.2	28.1	+	2.8	+	6.9
Education	14.0	13.5	14.0	13.8	+	3.7	+	8.9
Construction Activity								
Las Vegas								
Residential ($000's)	11,066	29,843	35,873	76,782	+	126.6	+	77.3
Nonresidential ($000's)	6,414	16,356	14,525	37,295	+	1.7	+	123.7
Total Value ($000's)	17,480	46,199	50,398	114,077	+	61.7	+	72.9
# of New Family Units	97	266	315	678	+	16.7	+	15.5
North Las Vegas								
Residential ($000's)	0	6,440	82	6,522	+	645.4	+	211.2
Nonresidential ($000's)	1,129	504	1,462	3,095	+	40.4	+	12.8
Total Value ($000's)	1,129	6,944	1,545	9,618	+	408.9	+	98.8
# of Permits	45	59	58	162	+	19.1	-	10.5
Quarterly Taxable Sales ($000's)				1,439,982	-	6.9	+	13.0
Quarterly Gaming Revenues ($000's)				746,344	+	10.6	+	7.2
Air Transportation-McCarran								
Passengers (Arrivals/Departures)	1,116,983	1,225,974	1,379,401	3,722,358	+	3.4	+	2.9
Cargo Enplaned (lbs.)	3,037,262	2,951,129	3,084,773	9,073,164	+	10.1	+	40.7
Cargo Deplaned (lbs.)	3,695,569	3,501,640	3,827,046	11,024,255	+	3.3	+	32.6
Highway Traffic Flow								
4 Selected Stations (Avg. Daily)	34,877	36,153	38,422	36,484	+	0.6	+	7.0
Room Tax ($)								
Clark County	2,305,395	1,521,517	2,167,793	5,994,705	-	12.1	+	5.6
Las Vegas City	422,367	310,742	384,670	1,117,779	-	5.8	+	22.4
MSA Total	2,755,733	1,851,821	2,578,771	7,186,325	-	11.1	+	8.1

Reno Metropolitan Statistical Area

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		1st Quarter-1987 1st Quarter-1988	
Total Labor Force (000's)	139.5	139.3	139.2	139.3	-	0.2	+	3.6
Total Employment (000's)	129.4	130.5	131.2	130.4	-	1.1	+	4.1
Unemployment (000's)	10.1	8.8	8.0	9.0	+	14.5	-	3.2
Unemployment Rate	7.2	6.3	5.8	6.4	+	14.9	-	6.8
Unemployment Rate (Seasonally Adjusted)	5.9	5.2	5.2	5.4	-	4.1	-	7.4
Agricultural Employment (000's)	0.6	0.8	0.7	0.7	+	5.0	+	10.5
Establishment-Based Industrial Employment								
Total All Industries (000's)	132.7	133.7	134.9	133.8	-	0.5	+	6.1
Mining	0.9	0.9	0.9	0.9	+	12.5	+	12.5
Contract Construction	6.5	6.7	7.0	6.7	-	15.8	+	4.1
Manufacturing	8.2	8.2	8.2	8.2	-	2.0	-	2.4
Transportation & Utilities								
Transportation	4.9	5.0	5.0	5.0	+	0.7	+	3.5
Railroads	0.3	0.3	0.3	0.3	-	25.0	-	18.2
Public Utilities	4.3	4.2	4.2	4.2	+	4.1	+	4.1
Total Trade	30.1	29.9	30.2	30.1	-	2.7	+	7.4
Wholesale Trade	7.5	7.4	7.6	7.5	+	13.6	+	11.4
Retail Trade	22.6	22.5	22.6	22.6	-	7.1	+	6.1
Finance, Ins., & Real Estate	6.8	6.7	6.8	6.8	-	6.0	-	1.9
Service Industries	54.7	55.1	55.7	55.2	+	3.4	+	9.0
Hotels, Gaming & Recreation	30.7	30.9	31.3	31.0	+	1.0	+	9.6
Total Government	16.3	17.0	16.9	16.7	-	0.6	+	4.1
Federal	3.0	3.0	3.0	3.0	-	1.1	+	5.9
State and Local	13.3	14.0	13.9	13.7	-	0.5	+	3.8
Education	7.2	7.8	7.8	7.6	-	3.4	+	2.2
Construction Activity								
Reno								
Residential ($000's)	2,494	2,758	15,588	20,840	-	0.8	+	9.4
Nonresidential ($000's)	1,886	8,687	8,532	19,105	+	150.4	-	46.2
Total Value ($000's)	4,380	11,445	24,120	39,945	+	39.5	-	26.8
# of New Family Units	41	35	294	370	+	3.6	+	10.1
Sparks								
Residential ($000's)	922	837	3,093	4,852	+	35.8	-	6.3
Nonresidential ($000's)	1,496	1,165	3,232	5,893	-	31.1	-	42.6
Total ($000's)	2,418	2,002	6,325	10,745	+	4.0	-	29.1
# of New Family Units	16	7	72	95	-	17.4	+	0.0
Washoe County (Unincorporated)								
Residential ($000's)	2,681	5,472	4,374	12,527	+	15.0	+	34.3
Nonresidential ($000's)	493	302	1,139	1,934	-	65.8	-	75.6
Total Value ($000's)	3,174	5,774	5,513	14,461	-	11.2	-	16.1
# of New Family Units	32	71	50	153	+	39.1	+	18.6
Quarterly Taxable Sales ($000's)				560,160	-	7.7	+	14.9
Quarterly Gaming Revenues ($000's)				166,485	-	1.4	+	7.5
Air Transportation-Reno								
Passengers (Arr. & Depart.)	247,414	284,440	306,183	838,037	+	6.5	-	6.0
Cargo Enplaned (lbs.)	551,392	446,376	484,735	1,482,503	-	30.8	-	4.8
Cargo Deplaned (lbs.)	817,259	564,798	645,986	2,028,043	-	32.2	-	3.4
Highway Traffic Flow								
7 Selected Stations (Avg. Daily)	72,581	83,615	88,314	81,503	-	4.5	+	29.9
Room Tax ($)								
MSA Total	870,775	723,883	1,034,429	2,629,087	-	3.0	+	23.4

Nevada Statistical Data by County

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		1st Quarter-1987 1st Quarter-1988	
CARSON CITY								
Total Labor Force	22,230	21,830	21,840	21,966	+	3.7	+	4.9
Total Employment	20,270	20,270	20,470	20,336	+	2.6	+	5.2
Unemployment	1,960	1,560	1,370	1,630	+	19.6	+	1.2
Unemployment Rate	8.8	7.1	6.3	7.4	+	15.0	-	3.9
Construction Activity								
Residential Value ($000	812	1,497	2,863	5,172	-	15.8	-	34.0
Nonresidential Value ($	4,238	231	5,169	9,638	+	36.7	+	75.1
Total Value ($000's)	5,050	1,728	8,032	14,810	+	12.3	+	32.2
# of New Family Units	8	20	32	60	-	21.1	-	57.7
Quarterly Taxable Sales ($000's)				80,877	-	41.6	+	16.1
Quarterly Gaming Revenues ($000's)				7,382	-	12.4	+	2.6
CHURCHILL								
Total Labor Force	7,460	7,480	7,340	7,426	+	6.1	+	0.7
Total Employment	6,660	6,740	6,770	6,723	+	4.3	+	1.9
Unemployment	800	740	570	703	+	27.9	-	9.4
Unemployment Rate	10.7	9.9	7.8	9.5	+	19.8	-	10.1
Construction Activity								
Residential Value ($000's)	330	152	668	1,150	+	15.1	+	26.5
Nonresidential Value ($000's)	0	14	51	65	-	75.8		75.8
Total Value ($000's)	330	1,662	719	2,711	+	113.8	+	198.2
# of New Family Units	5	2	9	16	+	45.5	+	60.0
Quarterly Taxable Sales ($000's)				29,083	-	40.4	+	54.0
DOUGLAS								
Total Labor Force	12,410	12,460	12,400	12,423	-	6.9	+	1.2
Total Employment	11,410	11,650	11,730	11,596	-	7.7	+	2.4
Unemployment	1,000	810	670	826	+	6.0	-	12.4
Unemployment Rate	8.0	6.5	5.4	6.6	+	13.1	-	13.5
Quarterly Taxable Sales ($000's)				59,157.0	+	7.9	+	13.7
Quarterly Gaming Revenues ($000's)				82,421.0	+	26.9	+	17.9
ELKO								
Total Labor Force	12,800	12,940	12,950	12,896	-	3.6	+	5.9
Total Employment	11,790	11,930	12,130	11,950	-	5.3	+	7.6
Unemployment	1,010	1,010	820	946	+	23.5	-	11.0
Unemployment Rate	7.9	7.8	6.4	7.4	+	28.5	-	15.6
Construction Activity/Elko City								
Residential ($000's)	0	60	379	439	-	92.8	-	4.8
Nonresidential ($000's)	337	67	466	870	+	129.6	+	183.4
Total Value ($000's)	337	127	845	1,309	-	79.9	+	70.4
# of New Dwelling Units	7	10	22	39	+	69.6	+	8.3
Quarterly Taxable Sales ($000's)				68,404	-	12.8	+	53.8
ESMERALDA								
Total Labor Force	800	840	860	833	+	83.8	+	24.4
Total Employment	750	790	810	783	+	89.5	+	26.3
Unemployment	50	50	50	50	+	25.0	+	0.0
Unemployment Rate	5.9	6.4	6.2	6.2	-	30.7	-	16.3
Quarterly Taxable Sales ($000's)				1,493.0	-	36.1	-	20.2
EUREKA								
Total Labor Force	2,050	2,230	2,370	2,216	+	53.9	+	73.6
Total Employment	1,970	2,170	2,300	2,146	+	53.7	+	73.6
Unemployment	80	60	70	70	+	61.5	+	75.0
Unemployment Rate	3.7	2.8	2.8	3.1	+	6.9	-	2.1
Quarterly Taxable Sales ($000's)				10,727	-	23.0	+	137.1

Nevada Statistical Data by County (Continued)

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		1st Quarter-1987 1st Quarter-1988	
HUMBOLDT								
Total Labor Force	5,340	5,430	5,500	5,423	+	0.9	+	8.3
Total Employment	4,940	5,070	5,160	5,056	-	0.1	+	11.2
Unemployment	400	360	340	366	+	18.3	-	20.3
Unemployment Rate	7.5	6.6	6.1	6.7	+	17.4	-	17.9
Quarterly Taxable Sales ($000's)				40,354	+	7.9	+	46.5
LANDER								
Total Labor Force	2,340	2,350	2,410	2,366	+	5.2	+	11.5
Total Employment	2,160	2,180	2,220	2,186	+	3.6	+	12.9
Unemployment	180	170	190	180	+	28.6	-	3.6
Unemployment Rate	7.7	7.3	8.0	7.7	+	25.7	-	11.9
Quarterly Taxable Sales ($000's)				13,508	-	21.0	+	42.3
LINCOLN								
Total Labor Force	2,110	2,100	2,080	2,096	+	8.1	-	1.1
Total Employment	1,970	1,970	1,970	1,970	+	8.4	-	0.7
Unemployment	140	130	110	126	+	2.7	-	7.3
Unemployment Rate	6.5	6.1	5.2	5.9	-	11.9	-	8.7
Quarterly Taxable Sales ($000's)				1,797	-	15.0	-	4.6
LYON								
Total Labor Force	10,560	10,610	10,560	10,576	-	17.3	+	8.6
Total Employment	9,530	9,790	9,830	9,716	-	19.0	+	9.8
Unemployment	1,030	820	730	860	+	8.4	-	3.7
Unemployment Rate	9.7	7.7	6.9	8.1	+	31.4	-	11.3
Quarterly Taxable Sales ($000's)				17,253	+	2.7	+	6.5
MINERAL								
Total Labor Force	2,980	2,920	2,960	2,953	-	13.2	-	0.9
Total Employment	2,790	2,760	2,800	2,783	-	12.8	+	0.7
Unemployment	190	160	160	170	-	19.0	-	21.5
Unemployment Rate	6.5	5.6	5.4	5.8	-	5.9	-	19.7
Quarterly Taxable Sales ($000's)				8,373	-	13.6	+	19.0
NYE								
Total Labor Force	7,680	7,880	7,930	7,830	+	13.1	+	8.5
Total Employment	7,210	7,490	7,540	7,413	+	14.1	+	8.9
Unemployment	470	390	390	416	-	2.3	+	2.5
Unemployment Rate	6.1	5.0	5.0	5.4	-	13.9	-	4.7
Quarterly Taxable Sales ($000's)				50,972	+	36.8	+	32.8
PERSHING								
Total Labor Force	2,270	2,290	2,310	2,290	-	5.1	+	7.7
Total Employment	2,130	2,170	2,190	2,163	-	6.3	+	7.3
Unemployment	140	120	120	126	+	22.6	+	15.2
Unemployment Rate	6.2	5.3	5.0	5.5	+	25.0	+	5.8
Quarterly Taxable Sales ($000's)				8,871	+	8.5	+	36.8
STOREY								
Total Labor Force	940	930	960	943	-	3.7	+	15.5
Total Employment	860	850	880	863	-	5.5	+	15.1
Unemployment	80	80	80	80	+	20.0	+	20.0
Unemployment Rate	8.3	8.7	8.7	8.6	+	22.4	+	6.2
Quarterly Taxable Sales ($000's)				4,196	+	31.1	+	57.5
WHITE PINE								
Total Labor Force	4,210	4,210	4,200	4,206	-	0.7	+	11.5
Total Employment	3,730	3,800	3,860	3,796	-	4.4	+	13.6
Unemployment	480	410	340	410	+	53.8	-	6.1
Unemployment Rate	11.4	9.8	8.1	9.8	+	55.0	-	15.1
Quarterly Taxable Sales ($000's)				11,834	-	16.5	+	22.7

Selected U.S. Economic Indicators

Consumer Price Index & Indexes of Selected Categories
All Urban Consumers
(1967 = 100%)

	January 1988	February 1988	March 1988	1st Quarter 1988	PERCENTAGE CHANGE 4th Quarter-1987 1st Quarter-1988		1st Quarter-1987 1st Quarter-1988	
All Items	115.7	116.0	116.5	116.1	+	0.6	+	4.0
Food	115.7	115.7	115.9	115.8	+	1.2	+	3.0
Housing	116.2	116.6	117.0	116.6	+	0.9	+	3.7
Apparel and Upkeep	110.4	110.2	114.3	111.6	-	2.5	+	4.2
Transportation	107.1	106.8	106.5	106.8	-	0.7	+	3.7
Medical Care	134.4	135.5	136.3	135.4	+	2.0	+	6.3

Producer Price Indexes for Selected Commodity Groupings
(1967 = 100%)

All Commodities	104.6	104.8	104.9	104.8	+	0.6	+	3.8
Fuel And Power	67.2	66.7	65.9	66.6	-	5.5	-	1.5
Machinery And Equipment	111.9	112.2	112.3	112.1	+	0.9	+	2.0
Metals And Metal Products	114.4	114.7	115.1	114.7	+	2.7	+	10.5
Nonmetallic Mineral Products	110.8	110.9	111.0	110.9	+	0.3	+	1.2
Textile Products & Apparel	107.6	108.1	108.4	108.0	+	1.3	+	4.1

U.S. Labor Force

Civilian Labor Force (000's)	121,175	121,348	120,903	121,142	+	0.5	+	2.7
Total Employment (000's)	114,129	114,409	114,103	114,213	+	0.6	+	4.2
Unemployment (000's)	7,046	6,938	6,081	6,688	-	5.6	-	20.5
Unemployment Rate	5.8	5.7	5.0	5.5	-	6.3	-	22.9
Unemployment Rate Seasonally Adjusted	5.8	5.7	5.4	5.6	-	4.5	-	15.5

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